

**SCHOOL DISTRICT
OF
TOWNSHIP OF FAIRFIELD**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Township of Fairfield Board of Education

Fairfield, New Jersey

For the Fiscal Year Ended June 30, 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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For the Fiscal Year Ended June 30, 2014

Prepared by

Fairfield Township Board of Education

Finance Department

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE TOWNSHIP OF FAIRFIELD BOARD OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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INTRODUCTORY SECTION

FAIRFIELD TOWNSHIP PUBLIC SCHOOLS
375 GOULDTOWN WOODRUFF ROAD
BRIDGETON, NEW JERSEY 08302
Phone: (856) 453-1882 Fax: (856) 453-7189

Dr. Wanda Carter
Superintendent

Richard Davidson
Business Administrator

October 23, 2014

Honorable President and
Members of the Board of Education
Fairfield Township School District
Cumberland County, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Fairfield Township Public School District for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Fairfield Township Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Fairfield Township Board of Education and its two schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, as well as special education for handicapped youngsters.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7. DEBT ADMINISTRATION:

On March 15, 2004, the voters of the school district approved a referendum to construct a new elementary school. The total amount approved was \$4,981,000, of which principal payments of bonds in the amount of \$250,000 were made during the 2013-14 fiscal year, resulting in a balance in bonds payable as of June 30, 2014 of \$3,206,000. On September 15, 2014, the District refunded the remaining \$3,150,000 of these bonds.

On December 8, 2009, the voters of the school district approved a referendum to construct an addition, as well as undertake various improvements, acquire equipment and make renovations to the elementary school. The total amount approved was \$3,984,772, of which \$1,984,772 will be funded by a grant from the State of New Jersey and the remaining \$2,000,000 was funded through the issuance of bonds at various interest rates. Principal payments of bonds in the amount of \$70,000 were made during the 2013-14 fiscal year, resulting in a balance in bonds payable as of June 30, 2014 of \$1,720,000.

On September 15, 2014 the District refunded \$3,150,000 in Bonds Payable from the March 15, 2004 Construction of the new Elementary/Middle School, resulting in a net savings of \$56,000.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Raymond Colavita, C.P.A., R.M.A. of the accounting firm of Nightlinger, Colavita and Volpa, P.A. was selected by the Board's Audit Committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156, and the related OMB Circular A-133 and state Treasury Circular Letter 98-07 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Fairfield Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff. We received the complete cooperation from Nightlinger, Colavita & Volpa, P.A. and appreciate the courtesies extended to us.

Respectfully Submitted,



Dr. Wanda Carter
Superintendent

Respectfully Submitted,

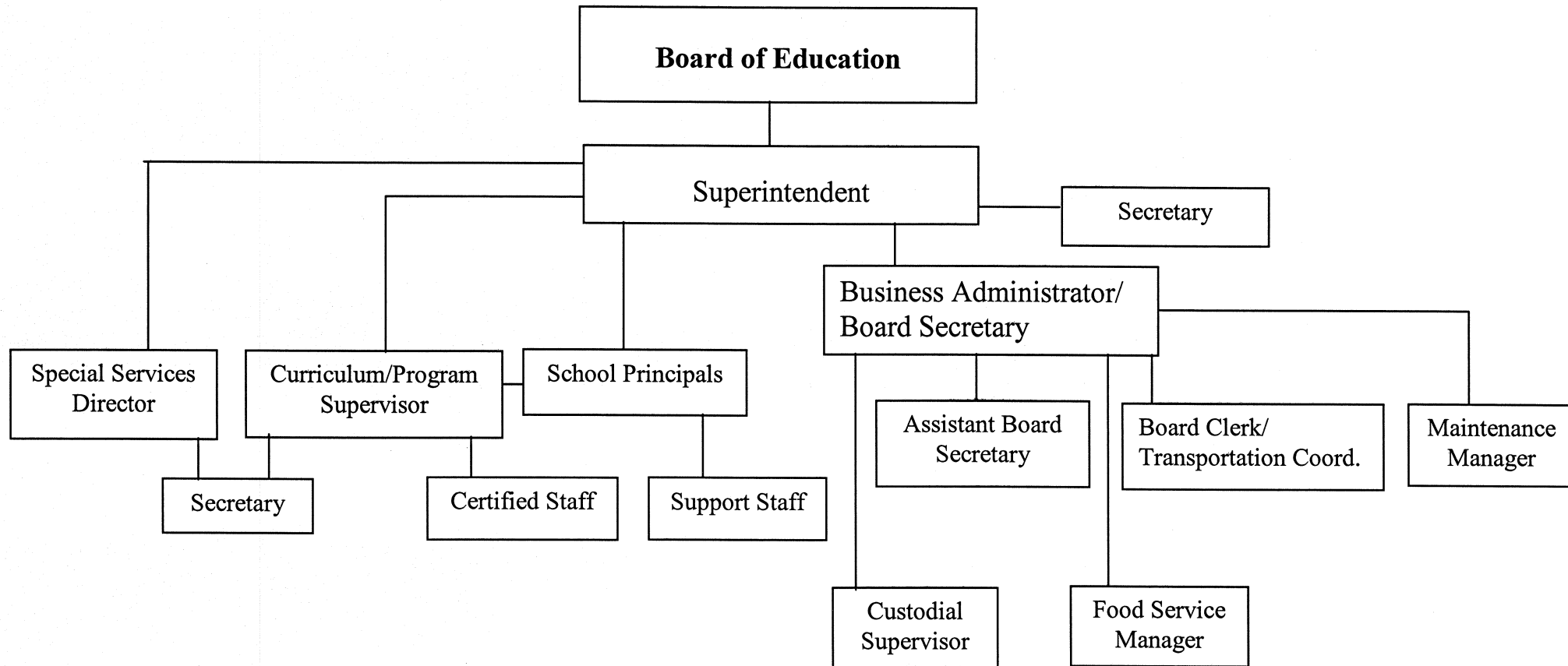


Richard Davidson
Business Administrator

Fairfield Township Board of Education
Bridgeton, New Jersey 08302
Exhibit

File Code: 2120

ORGANIZATIONAL CHART



Approved by the Board of Education
June 27, 2002

FAIRFIELD TOWNSHIP BOARD OF EDUCATION
BRIDGETON, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2014

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Michelle Kennedy, President	2015
Alta Lloyd, Vice President	2015
Treemanisha Stewart	2014
Ruth Butler	2014
Mark Pierce, Sr.	2014
Darlington Henry, Jr.	2015
Mattie Gibbons	2016
Mark Henry, Sr.	2016
Marge Neild	2016
<u>OTHER OFFICIALS</u>	<u>BOND</u>
Dr. Wanda Carter, Superintendent	
Richard Davidson, Business Administrator	\$ 320,000
Frank DiDomenico, Solicitor	

TOWNSHIP OF FAIRFIELD BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, CPA, RMA
Nightlinger, Colavita and Volpa, P. A.
Certified Public Accountants
991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

Frank DiDomenico
8 Lasalle Drive, PO Box 1356
Vineland, NJ 08362

OFFICIAL DEPOSITORY

Colonial Bank, FSB
1771 S. Lincoln Avenue
Vineland, New Jersey 08361

INSURANCE AGENCY

GCSSDJIF
PO Box 449
Marlton, New Jersey 08053

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245

October 23, 2014

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Fairfield Township School District
County of Cumberland, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Township of Fairfield School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2014, which collectively comprise the Township of Fairfield School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Township of Fairfield Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

New Accounting Standards

As discussed in Note 2 to the financial statements, during the fiscal year ended June 30, 2013, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 20 and 52a through 60 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Fairfield Board of Education's financial statements as a whole. The introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and state assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated October 23, 2014 on our consideration of the Township of Fairfield Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governments Auditing Standard and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA, R.M.A.
Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
FAIRFIELD TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

UNAUDITED

The discussion and analysis of Fairfield Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- ❖ The assets of the School District exceeded its liabilities at the close of the fiscal year ended June 30, 2014 by \$8,155,802. This amount represents Net Position, which decreased by \$92,372 from the previous year-end.
- ❖ Total net position of governmental activities totaled \$7,991,485, of which capital assets comprised 92.9%.
- ❖ General revenues accounted for \$7,959,728 in revenue, or 71% of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and capital grants accounted for \$3,243,946 or 29% to total revenues of \$11,203,674.
- ❖ Total net assets of governmental activities decreased by \$140,260, made up of changes in cash and cash equivalents, cash deposited with the state as fiscal agent, various receivables and various liabilities.
- ❖ The School District had \$11,255,319 in governmental expenses, of which \$3,243,946 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily Federal and State aid) of \$7,959,728 were not adequate to provide for governmental activity programs by \$99,533.
- ❖ The General Fund had \$7,524,682 in revenues, \$35,706 transferred to Charter Schools, \$449,565 transferred from the Capital projects fund and \$7,622,770 in expenditures. As a result, the General Fund balance increased by \$315,771 over 2013. This increase was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Fairfield Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances.

Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Fairfield Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, “How did we do financially during 2014?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business-type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major (all) funds begins on page 23. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a comparative summary of the School District's net position for the years ended in 2014 and 2013.

Table 1
Net Position

	2014	2013
Assets		
Current and Other Assets	\$ 1,041,853	\$ 1,110,426
Capital Assets, Net	12,994,742	13,362,812
Total Assets	14,036,595	14,473,238
Liabilities		
Long-term Liabilities	5,107,667	5,422,664
Other Liabilities	773,126	802,400
Total Liabilities	5,880,793	6,225,064
Net Position		
Invested in Capital Assets, Net of Debt	8,068,742	8,116,812
Restricted	578,762	766,964
Unrestricted	(491,702)	(635,602)
Total Net Position	\$ 8,155,802	\$ 8,248,174

Table 2 shows the changes in net position from fiscal year's 2014 and 2013.

Table 2
Changes in Net Position

	2014	2013
Revenues		
Programs Revenues		
Charges for Services	\$ 121,855	\$ 75,889
Operating Grants and Contributions	3,122,091	2,856,168
General Revenues		
Property Taxes	1,244,058	1,225,461
Grants and Entitlements	6,639,326	6,092,595
Other	71,323	181,766
Total Revenues	11,198,653	10,431,879
Program Expenses		
Instruction	3,975,641	3,897,285
Support Services		
Tuition	551,519	524,146
Pupils and Instructional Staff	933,660	871,912
General Administration, School		
Administration, Business	738,501	693,562
Operations and Maintenance of Facilities	1,275,704	581,351
Pupil Transportation	524,881	554,280
Employee Benefits	2,075,641	2,628,187
Food Service	474,964	449,175
Other	387,010	365,805
Debt Service - Interest	353,504	322,410
Total Expenses	11,291,025	10,888,113
Increase (Decrease) in Net Position	\$ (92,372)	\$ (456,234)

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's total revenues were \$7,954,707 for the fiscal year ended June 30, 2014. Property taxes made up 15.6% percent of revenues for governmental activities for the Fairfield Township School District for fiscal year 2014. Federal, state and local grants accounted for another 83.5% and .9% was for other revenue. The net cost of all programs and services was \$8,059,261, of which Instruction comprised 36.9% of District expenses.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service revenues exceeded expenses by \$47,888.
- ❖ Charges for services represent \$121,855 of revenue. This represents amount paid by patrons for daily food services.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$400,997.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Services 2014</u>	<u>Net Cost of Services 2014</u>	<u>Total Cost of Services 2013</u>	<u>Net Cost of Services 2013</u>
Instruction	\$ 3,975,641	\$ 2,815,643	\$ 3,897,285	\$ 2,903,884
Support Services				
Tuition	551,519	551,519	524,146	524,146
Pupils and Instructional Staff	933,660	400,130	871,912	442,925
General Administration, School				
Administration, Business	738,501	738,501	693,562	693,562
Operation and Maintenance of Facilities	1,275,704	1,275,704	581,351	581,351
Pupil Transportation	524,881	524,881	554,280	554,280
Employee Benefits	2,075,641	1,048,075	2,628,187	1,565,171
Interest and Fiscal Charges	353,504	353,504	322,410	322,410
Other	351,304	351,304	365,805	365,805
Total Expenses	<u>\$ 10,780,355</u>	<u>\$ 8,059,261</u>	<u>\$ 10,438,938</u>	<u>\$ 7,953,534</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Extracurricular activities includes expenses related to student activities provided by the School district which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$10,680,822 and expenditures of \$10,786,067. The net change in fund balance for the year was a decrease of (\$105,245).

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2014, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2013</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 1,320,402	12.4%	\$ 47,923	4%
State Sources	8,711,066	81.6%	728,621	9%
Federal Sources	649,354	6.0%	53,800	9%
Total	<u>\$ 10,680,822</u>	<u>100.0%</u>	<u>\$ 830,344</u>	<u>9%</u>

The increase in Local Sources is attributed to increases in the general fund tax levy of \$18,597 and \$41,452 in other miscellaneous revenues, offset by a decrease of \$12,126 in interest income.

The increase in State Sources is attributed increases in Special Projects grants of \$227,779 and an SDA Capital Project Grant of \$525,774, less \$24,932 in various State Public Education Aid categories.

The increase in Federal Sources is attributed various increases in federal grant awards of \$53,800.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund Expenditures for the fiscal year ended June 30, 2014.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) 2013</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 3,975,641	37.0%	\$ 78,356	2.0%
Undistributed Expenditures	5,368,965	49.9%	51,449	1.0%
Capital Outlay	886,713	8.2%	211,082	31.2%
Debt Service:				
Principal	320,000	3.0%	15,000	4.9%
Interest	199,042	1.9%	(10,619)	-5.1%
Total	<u>\$ 10,750,361</u>	<u>100%</u>	<u>\$ 345,268</u>	<u>3.3%</u>

The increase in Current – Instruction is attributed to increases in Special Education Grants of \$166,597 and Special Instruction of \$40,222, offset by decreases in regular instruction of \$128,159 and other instruction of \$304.

The increase in Current – Undistributed Expenditures is attributed to increased tuition costs of \$27,373, student and instruction services of \$61,748 and administrative expenses of \$44,939, offset by decreases in plant maintenance of \$31,585, pupil transportation of \$29,399 and employee benefits of \$21,627.

The increase in capital outlay is attributed to the SDA Debt Service Assessment of \$41,873 and Capital Project spending of \$215,492, offset by decreased equipment costs of \$46,283.

Debt Service increased due to payment of scheduled interest and principal on existing bonds.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2014, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management in the following areas:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations.
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues and expenditures would equal with the appropriation of \$ 239,500 in fund balance, the actual results for the year show an increase in fund balance of \$288,310. This increase was the result of \$449,565 that was transferred from the Capital projects Fund, along with other positive line item variances, offset by the transfer to the Charter School.

- ❖ Actual revenues were \$50,784 more than expected due to the increase in other State Aid of \$23,670 and miscellaneous income of \$27,114. This excludes TPAF pension and social security of \$679,527.
- ❖ The actual expenditures were \$138,903 less than expected, excluding the on-behalf state aid payments for TPAF pension and social security of \$679,527, due primarily to favorable variances of \$44,710 in Instruction, Other Support Services of \$90,538 and Capital outlay of \$3,655.

Capital Assets

At the end of the fiscal year 2014, the School District had \$12,905,459 invested general in land, buildings, furniture and equipment, and vehicles, along with \$89,283 in food service equipment. Table 4 shows fiscal 2014 balances compared to 2013.

Table 4
Capital Assets (Net of Depreciation) at June 30

	<u>2014</u>	<u>2013</u>
Land	\$ 179,994	\$ 179,994
Sites	5,894	6,300
Building and Improvements	12,629,019	12,945,507
Machinery and Equipment	179,835	231,011
Totals	<u>\$ 12,994,742</u>	<u>\$ 13,362,812</u>

Overall capital assets decreased \$368,070 from fiscal year 2013 to fiscal year 2014. Acquisitions of capital assets were \$3,089 in general equipment, offset by retirements of \$5,021 and depreciation expenses for the year of \$366,138, as calculated and a report prepared by an outside contractor.

Debt Administration

At June 30, 2014, the School District had \$5,107,667 as outstanding debt. Of this amount \$181,667 is for compensated absences and \$4,926,000 for bonds for school construction.

On September 30, 2003, the voters of Fairfield Township approved the construction of a new school in the amount of \$16,158,947 of which \$10,677,079 (68.56%) was funded by the State of New Jersey, \$500,868 was funded by Capital Reserve of the School District and \$4,981,000 was funded by the issuance of Serial Bonds.

On December 8, 2009, the voters approved a referendum to construct an addition as well as undertake various improvements and renovations to the Fairfield Township Elementary School. Also included was the acquisition of the necessary equipment and any associated site work. The total cost of the project is \$3,984,772, of which \$1,984,772 will be funded by a grant from the State of New Jersey and \$2,000,000 was funded by the issuance of Serial Bonds on March 25, 2010. The initial interest payment of \$31,397.71 was paid on September 1, 2010 and the initial principal payment of \$70,000 was paid on March 1, 2011.

On September 15, 2014, the District refunded \$3,150,000 in Bonds payable from the March 15, 2004 Construction of the new Elementary/Middle School, resulting in a net savings of \$56,000.

Debt Administration - Continued

At June 30, 2014, the School District's overall legal debt margin was \$9,475,900 and the unvoted debt margin was \$4,549,900 or 48%.

The purpose of serial bond debt of the district is as follows:

	Date of Issue	Amount of Issue	Amount Outstanding June 30, 2014
Construction of a new elementary/middle School including necessary onsite and offsite improvements, furniture and equipment associated with such improvements	9/30/03	\$ 4,981,000	\$ 3,206,000
Construction of an addition as well as undertake various improvements and renovations to the Fairfield Township Elementary School and to acquire the necessary equipment and undertake any associated site work	3/1/10	\$ 2,000,000	\$ 1,720,000

For the Future

Fairfield Township School District has planned and will be implementing a number of initiatives reflective of our continued development and implementation of best practice instructional strategies and instructional delivery to students during the 2014-2015 that will flow through to the 2015-2016 school year. While funding is always a concern to all school districts it has an especially significant impact to districts such as Fairfield. In our rural setting with limited ratables and a significant percentage of economically disadvantaged families our students face complicated situations that may impact negatively on their learning. It is our hope that the State will continue to fund programs at or above the level they currently have funded. We as a district will continue our efforts in being proactive to secure necessary funding. We also will be expanding our efforts and program parameters to reach out to parents/guardians and the community to promote increased family and community involvement. Further we are committed to assist our families as needed in completing forms that can provide them with the resources they need as part of our school district family.

For the future, our goal is to continue to create an environment that is conducive to student learning. We will continue to provide professional development to empower staff in implementing best practice based instruction and student assessment. We will continue to promote student success through targeted instruction. We will implement a professional staff evaluation instrument (Charlotte Danielson's, Framework for Teaching model) that is among those evaluation instruments sanctioned by the State of New Jersey. Increased proficiency in the areas of ELA and mathematics continues to be a paramount goal. Further, we continue to refine, revise and implement a student behavior system the increases positive behavior recognition. We will also continue our efforts in working to create an environment where parents/guardians feel comfortable in working with the administration and staff to promote student success.

For the Future - Continued

Our summer school program for students provides instruction in mathematics and ELA core standards and also provides both a breakfast and lunch program to those attending. This program also includes a culminating field trip activity. Another planned initiative is an after school tutorial program with transportation provided. During the school year from early December to May we have developed an after school tutorial program with student transportation that once again targets instructional areas of math and language.

In working toward these goals, we continue to rely on local, state and federal funding. Funding is our most pressing need to enable us to reach these goals. Fairfield Township School District's "Mission" is to continue efforts in "Pursuing Educational Excellence. Our community and Board of Education remain committed to providing the best educational opportunities for all of our students.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Dr. Wanda Carter, Superintendent at Fairfield Township Board of Education, 375 Gouldtown Woodruff Road, Bridgeton, NJ 08302.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
ASSETS			
Cash and Cash Equivalents	\$ 221,260	\$ 152,282	\$ 373,542
Due from Other Funds	74,843		74,843
Receivables, Net	504,121	83,247	587,368
Inventory		6,100	6,100
Restricted Assets:			
Capital Assets, Net (Note 5):	12,905,459	89,283	12,994,742
	<u>13,705,683</u>	<u>330,912</u>	<u>14,036,595</u>
Total Assets			
LIABILITIES			
Accounts Payable	246,206	164,162	410,368
Accrued Interest on Bonds	53,468		53,468
Payable to Other Governments	2,048		2,048
Unearned Revenue	304,809	2,433	307,242
Non-current Liabilities (Note 6):			
Due Within One Year	453,155		453,155
Due Beyond One Year	4,654,512		4,654,512
	<u>5,714,198</u>	<u>166,595</u>	<u>5,880,793</u>
Total Liabilities			
NET POSITION			
Invested in Capital Assets, Net of Related Debt	7,979,459	89,283	8,068,742
Restricted for:			
Capital Reserve	337,314		337,314
Maintenance Reserve	27,500		27,500
Special Revenue	(146,244)		(146,244)
Capital Projects	172,692		172,692
Debt Service	52,500		52,500
Other Purposes	135,000		135,000
Unrestricted	(566,736)	75,034	(491,702)
	<u>7,991,485</u>	<u>164,317</u>	<u>8,155,802</u>
Total Net Position	\$	\$	\$

The accompanying Notes to Financial Statements are an integral part of this statement.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,188,568	\$ -	\$ (1,159,998)	\$ (2,028,570)	\$ -	\$ (2,028,570)
Special Education	506,453			(506,453)		(506,453)
Other Special Instruction	195,664			(195,664)		(195,664)
Other Instruction	84,956			(84,956)		(84,956)
Support Services:						
Tuition	551,519			(551,519)		(551,519)
Student & Instruction Related Services	933,660		(533,530)	(400,130)		(400,130)
General and Business Administrative Services	314,833			(314,833)		(314,833)
School Administrative Services	193,112			(193,112)		(193,112)
Central Services	159,615			(159,615)		(159,615)
Information Technology	70,941			(70,941)		(70,941)
Plant Operations and Maintenance	1,258,057			(1,258,057)		(1,258,057)
Security	17,647			(17,647)		(17,647)
Pupil Transportation	524,881			(524,881)		(524,881)
Employee Benefits	2,075,641		(1,027,566)	(1,048,075)		(1,048,075)
Interest on Debt Service	353,504			(353,504)		(353,504)
Unallocated Depreciation	351,304			(351,304)		(351,304)
Total Governmental Activities	10,780,355		(2,721,094)	(8,059,261)		(8,059,261)
Business-type Activities:						
Food Service	474,964	(121,855)	(400,997)		47,888	47,888
Total Business-type Activities	474,964	(121,855)	(400,997)		47,888	47,888
Total Primary Government	\$ 11,255,319	\$ (121,855)	\$ (3,122,091)	\$ (8,059,261)	\$ 47,888	\$ (8,011,373)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 725,016	\$	725,016
Taxes Levied for Debt Service				519,042		519,042
Federal and State Aid not Restricted				6,639,326		6,639,326
Investment Earnings				6,564		6,564
Miscellaneous Income				69,780		69,780
Transfer to Charter School				(35,706)		(35,706)
Fixed Asset Adjustment				(5,021)		(5,021)
Total General Revenues, Special Items, Extraordinary Items and Transfers				7,919,001		7,919,001
Change in Net Position				(140,260)	47,888	(92,372)
Net Position—Beginning				8,131,745	116,429	8,248,174
Net Position—Ending				\$ 7,991,485	\$ 164,317	\$ 8,155,802

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,223	\$ 18,171	\$ 305,956	\$	\$ 326,350
Interfunds Receivable	272,220			52,500	324,720
Tax Levy Receivable	120,836				120,836
State Aid Receivable	35,290		116,613		151,903
Federal Aid Receivable		231,382			231,382
Total Assets	<u>\$ 430,569</u>	<u>\$ 249,553</u>	<u>\$ 422,569</u>	<u>\$ 52,500</u>	<u>\$ 1,155,191</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 157,266	\$ 88,940	\$	\$	\$ 246,206
Interfund Payable	105,090		249,877		354,967
Payable to Other Governments		2,048			2,048
Unearned Revenue		304,809			304,809
Total Liabilities	<u>262,356</u>	<u>395,797</u>	<u>249,877</u>		<u>908,030</u>
Fund Balances:					
Restricted For:					
Maintenance Reserve	10,000				10,000
Special Revenue Fund		(146,244)			(146,244)
Capital Projects Fund			172,692		172,692
Assigned - Designated for					
Capital Reserve	337,314				337,314
Maintenance Reserve	17,500				17,500
Designated for Subsequent Year's Expenditures	135,000				135,000
Debt Service				52,500	52,500
Unassigned, Reported In:					
General Fund	(331,601)				(331,601)
Total Fund Balances (Deficit)	<u>168,213</u>	<u>(146,244)</u>	<u>172,692</u>	<u>52,500</u>	<u>247,161</u>
Total Liabilities and Fund Balances	<u>\$ 430,569</u>	<u>\$ 249,553</u>	<u>\$ 422,569</u>	<u>\$ 52,500</u>	

Amounts reported for *governmental activities* in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$16,348,155 and the accumulated depreciation is \$3,442,696 (Note 5).

12,905,459

Accrued Interest is not due and payable in the current period and are, therefore, not reported as liabilities.

(53,468)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).

(5,107,667)

Net position of Governmental Activities

\$ 7,991,485

The accompanying Notes to Financial Statements are an integral part of this statement.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local Tax Levy	\$ 725,016	\$	\$	\$ 519,042	\$ 1,244,058
Interest Earned	5,756		808		6,564
Miscellaneous	69,780				69,780
Total - Local Sources	800,552		808	519,042	1,320,402
State Sources	6,724,130	1,359,135	627,801		8,711,066
Federal Sources		649,354			649,354
Total Revenues	7,524,682	2,008,489	628,609	519,042	10,680,822
EXPENDITURES					
Current:					
Instruction:					
Regular Instruction	2,028,570	1,159,998			3,188,568
Special Education Instruction	506,453				506,453
Other Special Instruction	195,664				195,664
Other Instruction	84,956				84,956
Support Services:					
Tuition	551,519				551,519
Student & Instruction Related Services	400,130	533,530			933,660
General Administrative Services	314,833				314,833
School Administrative Services	193,112				193,112
Central Services	159,615				159,615
Admin. Information Technology	70,941				70,941
Plant Operations and Maintenance	532,119				532,119
Security	17,647				17,647
Pupil Transportation	524,881				524,881
Employee Benefits	1,722,599	348,039			2,070,638
Capital Outlay	319,731		566,982		886,713
Debt Service - Principal				320,000	320,000
Debt Service - Interest				199,042	199,042
Total Expenditures	7,622,770	2,041,567	566,982	519,042	10,750,361
Excess (Deficiency) of Revenues Over Expenditures	(98,088)	(33,078)	61,627		(69,539)
OTHER FINANCING SOURCES (USES)					
Transfer to Charter School	(35,706)				(35,706)
Transfers Interet from Capital Projects Fund	808		(808)		
Transfer from Capital Project to Capital Reserve	337,314		(337,314)		
Transfer Unspent Project Match	111,443		(163,943)	52,500	
Total Other Financing Sources and Uses	413,859		(502,065)	52,500	(35,706)
Net Change in Fund Balances	315,771	(33,078)	(440,438)	52,500	(105,245)
Fund Balance—July 1 (Deficit)	(147,558)	(113,166)	613,130		352,406
Fund Balance—June 30 (Deficit)	\$ 168,213	\$ (146,244)	\$ 172,692	\$ 52,500	\$ 247,161

The accompanying Notes to Financial Statements are an integral part of this statement.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ (105,245)**

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$ (351,304)	
Fixed Asset Adjustment	(5,021)	
Capital outlays	3,089	
		(353,236)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities. 320,000

In the Statement of Activities, certain operating expenditures such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). (5,003)

In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the Governmental funds, interest is reported when due. 3,224

Change in Net Position of Governmental Activities (A-2) **\$ (140,260)**

The accompanying Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Business-type Activities	
	Enterprise Funds	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 47,192	\$ 47,192
Accounts Receivable:		
Federal	75,532	75,532
State	1,292	1,292
Other	6,423	6,423
Interfund Accounts Receivable	105,090	105,090
Inventories	6,100	6,100
Total Current Assets	241,629	241,629
Fixed Assets:		
Equipment	249,816	249,816
Accumulated Depreciation	(160,533)	(160,533)
Total Fixed Assets	89,283	89,283
Total Assets	330,912	330,912
LIABILITIES		
Current Liabilities:		
Accounts Payable	164,162	164,162
Unearned Revenue	2,433	2,433
Total Current Liabilities	166,595	166,595
NET POSITION		
Invested in Capital Assets, Net of Related Debt	89,283	89,283
Unrestricted	75,034	75,034
Total Net Position	\$ 164,317	\$ 164,317

The accompanying Notes to Financial Statements are an integral part of this statement.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs:		
School Breakfast Program	\$ 5,604	\$ 5,604
School Lunch Program	23,380	23,380
Daily Sales - Non-Reimbursable Programs:	32,267	32,267
Summer Program	14,994	14,994
Special Functions	12,688	12,688
Satellite Revenue	32,922	32,922
Total Operating Revenue	121,855	121,855
Operating Expenses:		
Cost of Sales	259,022	259,022
Salaries	110,134	110,134
Employee Benefits	31,886	31,886
Management Fees	17,040	17,040
Miscellaneous	21,708	21,708
General Supplies	20,340	20,340
Depreciation	14,834	14,834
Total Operating Expenses	474,964	474,964
Operating Income (Loss)	(353,109)	(353,109)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	5,263	5,263
Federal Sources:		
National School Breakfast Program	134,392	134,392
National School Lunch Program	236,987	236,987
National School Snack Program	1,749	1,749
Food Distribution Program	22,467	22,467
Interest Earned	139	139
Total Non Operating Revenues (Expenses)	400,997	400,997
Income (Loss) Before Contributions & Transfers	47,888	47,888
Change in Net Position	47,888	47,888
Total Net Position—Beginning	116,429	116,429
Total Net Position—Ending	\$ 164,317	\$ 164,317

The accompanying Notes to Financial Statements are an integral part of this statement.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 15,925	\$ 15,925
Payments to Employees	(110,134)	(110,134)
Payments for Employee Benefits	(31,886)	(31,886)
Payments to Suppliers	(238,013)	(238,013)
Net Cash Provided by (used for) Operating Activities	(364,108)	(364,108)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	5,263	5,263
Federal Sources	395,595	395,595
Board Subsidy and Interest	139	139
Net Cash Provided by (used for) Non-capital Financing Activities	400,997	400,997
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Fixed Assets		
Net Cash Provided by (used for) Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash Provided by (used for) Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	36,889	36,889
Balances—Beginning of Year	10,303	10,303
Balances—End of Year	\$ 47,192	\$ 47,192
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (353,109)	\$ (353,109)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by: (used for) Operating Activities		
Depreciation and Net Amortization	14,834	14,834
(Increase)Decrease in Accounts Receivable, Net	(56,271)	(56,271)
(Increase)Decrease in Interfund Accounts Receivable, Net	(49,875)	(49,875)
(Increase)Decrease in Inventories	587	587
Increase(Decrease) in Accounts Payable	79,510	79,510
Increase(Decrease) in Unearned Revenue	216	216
Total Adjustments	(10,999)	(10,999)
Net Cash Provided by (used for) Operating Activities	\$ (364,108)	\$ (364,108)
Noncash Noncapital Financing Activities:		
During the year, the District accepted \$22,467 of Food Commodities from the U. S. Department of Agriculture		

The accompanying Notes to Financial Statements are an integral part of this statement.

FIDUCIARY FUNDS

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 124,512
Total Assets	\$ 124,512
LIABILITIES	
Due to General Fund	\$ 74,843
Accounts Payable	4,092
Flexible Spending Reserve	4,198
Payable to Student Groups	1,104
Payroll Deductions and Withholdings	40,275
Total Liabilities	\$ 124,512
NET POSITION	
Held in Trust for Unemployment	
Claims and Other Purposes	N/A
Reserved for Scholarships	N/A

The accompanying Notes to Financial Statements are an integral part of this statement.

**Fairfield Township School District
Notes to the Financial Statements
June 30, 2014**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Fairfield Township School District is organized as a Type II District under the Constitution of the State of New Jersey. The District operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered. The District provides educational services as authorized by state and federal guidelines.

The District serves an area of forty-two square miles. It is located in Cumberland County and provides education for all of Fairfield Township's grades K through 8. The District currently operates two instructional buildings with the administrative offices in the primary school building. The Fairfield Township School District had an approximate enrollment at June 30, 2014 of 620 students.

Reporting Entity:

As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of the Fairfield Township School District (District) have been prepared in conformity with generally accepting accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). In addition, the school district has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

**Fairfield Township School District
Notes to the Financial Statements
June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards

During fiscal year 2013, the district adopted the following GASB statements:

- GASB 62, *Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect in a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously reported as Assets and Liabilities*, although not required to be implemented until next year, the District elected to apply the statement to the current year financial statements. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items were previously reported as assets and liabilities and recognize, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 66, *Technical Corrections-2012, an Amendment of GASB Statements 10 and 62*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and No. 62, Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.

Fairfield Township School District
Notes to the Financial Statements
June 30, 2014

A. Basis of Presentation:

The District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District-wide Statements: The statement of net position and the statements of activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's programs, such as personnel and accounting—are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

GOVERNMENTAL FUND

General Fund: The General Fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for and the payment of, principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs.

**Fairfield Township School District
Notes to the Financial Statements
June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (Continued)

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise (Food Service) Fund: The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund Equipment

7 – 20 Years

FIDUCIARY FUND TYPES

Trust and Agency Funds - The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and a scholarship fund.

**Fairfield Township School District
Notes to the Financial Statements
June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (Continued)

FIDUCIARY FUND TYPES (Continued)

Nonexpendable Trust Fund - A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Agency Funds (Payroll and Student Activities Fund) - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Fairfield Township School District
Notes to the Financial Statements
June 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus: (Continued)

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1 and C-2, include all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the General fund Budgetary Comparison schedule and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows the modified accrual basis, with the exception of the recognition policy for the last state aid payment.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable:

Tuition charges for the fiscal years 2011-12, 2012-13 and 2013-14 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

I. Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Assets, Liabilities and Equity:

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. Assets, Liabilities and Equity: (Continued)

Inventories

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014. Included below is Commodity Food Inventory of \$909.

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

Food	\$ 4,819
Supplies	<u>1,281</u>
	\$ <u>6,100</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

Capital Assets - General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2014 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the Statement of Net Assets. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

Capital assets are depreciated in the district-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site Improvement	20
School Building	30-50
Building Improvements	20
Equipment	5-10

K. Compensated Absences:

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies and negotiated contracts. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits are cumulative and payable upon retirement according to contract terms.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Compensated Absences: (Continued)

The liability for vested compensated absences of governmental fund types is recorded in the general long-term debt account group. The current portion of the compensated absences balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund type is recorded within those funds as the benefits accrue to employees. As of June 30, 2014 no liability existed for compensated absences in the proprietary fund types.

L. Unearned Revenue:

Unearned revenue in the Special Revenue Fund represents cash, which has been received but not yet earned.

M. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

N. Allocation of Indirect Expenses:

The District reports direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

O. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Assets.

**Fairfield Township School District
Notes to the Financial Statements
June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

P. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

Q. Comparative Data/Reclassifications:

Comparative total data for the prior year has been presented in order to provide an understanding of changes on the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

R. Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

S. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the year.

T. Net Position:

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

U. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

**Fairfield Township School District
Notes to the Financial Statements
June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

V. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end. Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

W. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2014.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2014

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- a.) Bonds or other obligations of or guaranteed by the United States.
- b.) Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date not greater than twelve months from the date of purchase.
- c.) Bonds or other obligations of the school district.
- d.) New Jersey Cash Management Fund – New Jersey the School Districts are permitted to participate in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject o custodial credit risk as defined above. At June 30, 2014, the District had no funds on deposit with the New Jersey Cash Management Fund.

Fairfield Township School District
Notes to the Financial Statements
June 30, 2014

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

As of June 30, 2014, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash</u> <u>Equivalents</u>
Checking accounts	\$ 482,513
Fiscal Agent account	<u>15,541</u>
	<u>\$ 498,054</u>

As of June 30, 2014, the District had no other investments.

Custodial Credit Risk - Custodial Credit Risk is the risk that, in the event of a bank failure, the School Districts deposits may not be returned to it. Although the School District does not have a formal policy regarding custodial credit risk, as described in Note 1: N.J.S.A. 17:9-41 et. Seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Protection Act. As of June 30, 2014, the School Districts bank balance of \$704,338 was insured or collateralized as follows:

Insured	\$ 250,000
Uninsured and collateralized with securities held by pledging financial institutions	<u>454,338</u>
Total	<u>\$704,338</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

NOTE 4. OPERATING LEASES

The District has entered into operating leases for copying equipment. During the year beginning July 1, 2014, a lease on copiers was initiated in the amount of \$96,240. The lease is for a term of five years. The future minimum lease payments are as follows:

2014-2015	\$ 19,248
2015-2016	19,248
2016-2017	19,248
2017-2018	19,248
	<u>76,992</u>
	<u>\$ 76,992</u>

Fairfield Township School District
Notes to the Financial Statements
June 30, 2014

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 179,994	\$ -	\$ -	\$ 179,994
Construction in Progress				
Total Capital Assets not being Depreciated	<u>179,994</u>			<u>179,994</u>
Site Improvements	108,228		(100,100)	8,128
Building and Building Improvements	15,991,540		(373,597)	15,617,943
Machinery and Equipment	559,901	3,089	(20,900)	542,090
Totals at Historical Cost	<u>16,659,669</u>	<u>3,089</u>	<u>(494,597)</u>	<u>16,168,161</u>
Less Accumulated Depreciation for :				
Site Improvements	(101,928)	(406)	100,100	(2,234)
Building and Improvements	(3,046,033)	(311,467)	368,576	(2,988,924)
Equipment	(433,007)	(39,431)	20,900	(451,538)
Total Accumulated Depreciation	<u>(3,580,968)</u>	<u>(351,304)</u>	<u>489,576</u>	<u>(3,442,696)</u>
Total Capital Assets being Depreciated, Net of Accumulated Depreciation	<u>13,078,701</u>	<u>(348,215)</u>		<u>12,725,465</u>
Government Activities				
Capital Assets, Net	<u>\$ 13,258,695</u>	<u>\$ (348,215)</u>	<u>\$ (5,021)</u>	<u>\$12,905,459</u>
	To A-1			To A-1
Business-type Activities - Equipment	\$ 249,816		\$ -	\$ 249,816
Less Accumulated Depreciation	(145,699)	(14,834)		(160,533)
Business-type Activities				
Capital Assets, Net	<u>\$ 104,117</u>	<u>\$ (14,834)</u>	<u>\$ -</u>	<u>\$ 89,283</u>
Depreciation expense was charged to governmental functions				
as follows:				
Unallocated				<u>\$ 348,215</u>

Fairfield Township School District
Notes to the Financial Statements
June 30, 2014

NOTE 6. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2014, the following changes occurred in long-term obligations:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	Long-term Portion
Governmental Activities:						
General Obligation Bonds Payable	\$ 5,246,000	\$ -	\$ (320,000)	\$4,926,000	\$ 441,000	\$ 4,485,000
Compensated Absences Payable	176,664	5,003		181,667	12,155	169,512
Total Other Liabilities	\$ 5,422,664	\$ 5,003	\$ (320,000)	\$5,107,667	\$ 453,155	\$ 4,654,512

To A-1

A. Bonds Payable:

General obligation Bonds are authorized in accordance with State law by the voters of the municipality through referendums and retired in serial installments within the statutory period of usefulness.

On September 15, 2014, all of the outstanding callable principle on the School Bonds, originally issued on January 15, 2004, was refunded in the amount of \$3,206,000. The refunding bonds were issued in the amount of \$3,150,000, with the difference being funded by a portion of the related bond sale premium.

As of June 30, 2014, there exists a balance of outstanding principal in the 2010 and refunded 2004 bond issues totaling \$4,926,000. Of this amount there is a reduction, in the amount of \$56,000, resulting from the refunding on September 15, 2014. Combined Principal and interest due on the two serial bond issues outstanding as of September 15, 2014 are as follows:

Year Ending June 30	Principal	Interest	Total
2015	\$ 385,000	\$ 120,235	\$ 505,235
2016	360,000	151,406	511,406
2017	370,000	143,250	513,250
2018	390,000	131,700	521,700
2019	400,000	119,525	519,525
2020	415,000	107,025	522,025
2021	425,000	94,075	519,075
2022	440,000	80,825	520,825
2023	460,000	67,125	527,125
2024	475,000	49,000	524,000
2025	110,000	30,000	140,000
2026	120,000	25,600	145,600
2027	120,000	20,800	140,800
2028	130,000	16,000	146,000
2029	130,000	10,800	140,800
2030	140,000	5,600	145,600
	<u>\$ 4,870,000</u>	<u>\$ 1,172,966</u>	<u>\$ 6,042,966</u>

**Fairfield Township School District
Notes to the Financial Statements
June 30, 2014**

NOTE 6. GENERAL LONG-TERM DEBT (CONT'D)

B. Bonds Authorized But Not Issued:

As of June 30, 2014, the Board had no bonds authorized but not issued.

C. Capital Leases Payable:

The district had no capital leases during the fiscal year ended June 30, 2014.

NOTE 7. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Fairfield Board of Education by the original 1994-95 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes, or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A.19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

In the 2001-02 school-year, the District established a Capital Reserve Account by board resolution,.

During the 2013-14 school-year, the District transferred \$337,314 into the Capital Reserve account and appropriated this amount in the 2014-15 school-year.

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2014 is \$844,237.

NOTE 8. MAINTENANCE RESERVE

A Maintenance Reserve account was established by the Township of Fairfield Board of Education by resolution in the 2008-09 school-year in the amount of \$42,000. At June 30, 2012 there was a balance of \$57,000 in Maintenance Reserve, of which \$29,500 was appropriated as revenue in the 2012-13 Budget, resulting in a balance of \$27,500 as of June 30, 2014. Of this amount, \$17,500 was utilized in the 2014-15 budget.

Fairfield Township School District
Notes to the Financial Statements
June 30, 2014

NOTE 9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following defined benefit pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits: the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.L. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund – The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of the annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007.

The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution has been required over several preceding fiscal years.

Public Employees' Retirement System – The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007.

**Fairfield Township School District
Notes to the Financial Statements
June 30, 2014**

NOTE 9. PENSION PLANS (CONT'D)

The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years).

Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credit to the members' accounts.

Significant Legislation - P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

The legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Fairfield Township School District
Notes to the Financial Statements
June 30, 2014

NOTE 9. PENSION PLANS (CONT'D)

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the States Defined Contribution Retirement Program.

The School District is billed annually for its normal contribution plus any accrued liability.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Three-Year Trend Information for PERS

Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
June 30, 2014	\$ 75,758	100 %	\$ 75,758
June 30, 2013	48,670	100 %	48,670
June 30, 2012	55,470	100 %	55,470

Three-Year Trend Information for TPAF (Paid on Behalf of the District)

Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
June 30, 2014	\$ 406,026	100 %	0
June 30, 2013	499,703	100 %	0
June 30, 2012	367,708	100 %	0

During the fiscal year ended June 30, 2014, the State of New Jersey contributed \$153,820 to the TPAF for pension contribution, \$252,206 for post-retirement benefits and nothing for normal contributions on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$273,501 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 10. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c 62. Funding of post retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

Fairfield Township School District
Notes to the Financial Statements
June 30, 2014

NOTE 10. POST-RETIREMENT BENEFITS (CONT'D)

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are GWN Securities, Inc., Equitable, Lincoln Investment Planning and Prudential.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2014.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$272,220	\$ 105,090
Capital Project Fund		249,877
Debt Service Fund	52,500	
Payroll Fund		74,843
Enterprise Fund	<u>105,090</u>	<u>0</u>
	<u>\$429,810</u>	<u>\$429,810</u>

NOTE 13. RISK MANAGEMENT

The District participates in the Gloucester, Cumberland, and Salem School Districts Joint Insurance Fund (GCSSDJIF). The Fund pools together member District resources, and, through consultation with insurance professionals, purchases coverages, which include worker's compensation, property, general, automobile and school board legal liability, and boiler and machinery insurances.

As a member of the Fund, the Board is obligated for the prompt payment of any and all sums due to the Fund in accordance with its bylaws, statutes or regulations. However, the Board is not obligated for claims and expenses of another member District that are not covered by the Fund, or for that portion of any claim or liability which exceeds the Fund's limits of coverage.

A detailed schedule of the insurance coverages provided by the Fund is included in the statistical section of the District's Comprehensive Annual Financial Report.

**Fairfield Township School District
Notes to the Financial Statements
June 30, 2014**

NOTE 14. LAND PURCHASE

On August 28, 1996 the Board completed the purchase of a 62-acre tract of land on Buckshutem Road. The Board's intention was to utilize the land as future school building site. The purchase price of the land was \$156,750, which was appropriated by the Board from fund balance and encumbered in the general fund during the 1995-96 fiscal year.

With the choice of the Board-owned property on Gouldtown-Woodruff Road to build the new school also having adequate land for possible future expansion, the Buckshutem Road property became excess. On September 22, 2004, the DOE granted the Board request for approval to sell the Buckshutem Road property. When the pre-sale appraisal came in at only \$116,000, the Board elected to hold the property in anticipation of a future increase in value.

NOTE 15. LITIGATION

According to the solicitor, the district is not involved in any lawsuits incidental to its operations, of which the total maximum exposure is considered material to the financial statements taken as a whole.

NOTE 16. FUND BALANCE

General Fund

Of the \$168,213 General Fund balance at June 30, 2014, \$0 is reserved for encumbrances; \$0 is restricted as Excess Surplus; \$27,500 has been restricted for Maintenance Reserve, of which \$17,500 has been appropriated and included as anticipated revenue for the year ended June 30, 2015; 337,314 has been restricted for Capital Reserve, of which \$337,314 has been assigned and appropriated and included as anticipated revenue for the year ended June 30, 2015); \$135,000 has been assigned and appropriated and included as anticipated revenue for the year ended June 30, 2015) and (\$331,601) represents a deficit in unassigned and unrestricted fund balance. The above amounts exclude the 19th and 20th state aid payment received in July, 2014 in the amount of \$523,090.

Debt Service Fund

Of the \$52,500 in Debt Service Fund balance at June 30, 2014, \$52,500 has been assigned and appropriated and included as anticipated revenue for the year ended June 30, 2015.

NOTE 17. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the NJ Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There is no excess surplus to be appropriated in the 2014-15 budget.

**Fairfield Township School District
Notes to the Financial Statements
June 30, 2014**

NOTE 18. INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT

The balance in the investment of capital assets of \$7,979,459 on Exhibit A-1 reflects the allocation of the outstanding bonded debt as a liability, whereas the proceeds of the bonds will remain in the capital projects fund until such time as the project costs are expended. At that time, the costs are transferred into the heading of Capital Assets.

NOTE 19. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$146,244 in the Special Revenue Fund as of June 30, 2014 as reported in the fund statements (modified accrual basis). N.J.S.A.18A:22-44.2 provides that in the event a state school aid payment is not made until the following school year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general and Special Revenue Fund balances that are reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$146,244 in the special revenue fund is equal to the last two state aid payments.

NOTE 20 . FEMA Community Disaster Loan (CDL)

General Fund [Exhibits A-1, A-2, B-1, B-2, C-1] - The school district did not apply for and did not receive a CDL due to Superstorm Sandy in October 2012.

NOTE 21. Community Development Block Grant (CDBG)

General Fund [Exhibits A-1, A-2, B-1, B-2, C-1 and C-1/b] - The school district did not receive a CDBG for the school year 2013-2014.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 725,016	\$	\$ 725,016	\$ 725,016	\$
Tuition from Other LEAs Within State	10,000		10,000		(10,000)
Interest on Investments				5,756	5,756
Miscellaneous	38,422		38,422	69,780	31,358
Total Local Sources	773,438		773,438	800,552	27,114
State Sources:					
Equalization Aid	5,088,222		5,088,222	5,088,222	
Categorical Transportation Aid	157,300		157,300	157,300	
Categorical Special Education Aid	286,612		286,612	286,612	
Categorical Security Aid	166,335		166,335	166,335	
Adjustment Aid	253,131		253,131	253,131	
Under Adequacy Aid	41,872		41,872	41,872	
Other State Aids:					
Antibullying Aid				281	281
Additional Non-Public Transportation Aid				2,997	2,997
Extraordinary Aid				20,392	20,392
On Behalf TPAF Pension Contribution (Non-budgeted)				153,820	153,820
On Behalf TPAF Post Retirement Contribution (Non-budgeted)				252,206	252,206
Reimbursed TPAF Social Security Contribution (Non-budgeted)				273,501	273,501
Total State Sources	5,993,472		5,993,472	6,696,669	703,197
Federal Sources:					
Education Jobs Fund					
Total Federal Sources					
Total Revenues	6,766,910		6,766,910	7,497,221	730,311

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Expenditures:					
Current Expense:					
Instruction - Regular Program:					
Salaries of Teachers:					
Kindergarten	\$ 164,149	\$ (8,177)	\$ 155,972	\$ 155,971	\$ 1
Grades 1-5	1,060,748	(66,410)	994,338	994,337	1
Grades 6-8	738,877	(47,429)	691,448	691,448	
Home Instruction:					
Salaries of Teachers	5,000		5,000	1,984	3,016
Travel	500	(493)	7		7
Undistributed Instruction - Regular:					
Other Salaries for Instruction	82,310	929	83,239	81,839	1,400
Purchased Professional - Educational Services	400		400		400
Other Purchased Services	15,000	7,585	22,585	18,956	3,629
General Supplies	77,000	(1,000)	76,000	73,735	2,265
Textbooks	10,000	(7,369)	2,631		2,631
Other Objects	10,000	301	10,301	10,300	1
Total Regular Programs	2,163,984	(122,063)	2,041,921	2,028,570	13,351
Learning and Language Disabilities:					
Salaries of Teachers	207,508	2,293	209,801	207,601	2,200
Other Salaries for Instruction	78,652	15,346	93,998	92,297	1,701
General Supplies	4,000		4,000	2,186	1,814
Textbooks	1,000		1,000		1,000
Other Objects	500		500		500
Total Learning and/or Language Disabilities	291,660	17,639	309,299	302,084	7,215
Resource Room:					
Salaries of Teachers	207,506	5,455	212,961	204,369	8,592
General Supplies	1,500		1,500		1,500
Textbooks	500		500		500
Total Resource Room	209,506	5,455	214,961	204,369	10,592
Total Special Education	501,166	23,094	524,260	506,453	17,807
Basic Skills/Remedial:					
Salaries of Teachers	193,141	4,070	197,211	195,620	1,591
General Supplies	1,500		1,500	44	1,456
Total Basic Skills/Remedial	194,641	4,070	198,711	195,664	3,047

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Expenditures (Continued):					
Current Expense (Continued):					
Bilingual Education - Instruction					
Salaries of Teachers	\$ 54,361	\$	\$ 54,361	\$ 53,186	\$ 1,175
General Supplies	500		500		500
Total Bilingual Education - Instruction	54,861		54,861	53,186	1,675
School - Sponsored Co-curricular Activities - Instruction:					
Salaries	18,000	5,700	23,700	23,700	
Supplies and Materials	3,000		3,000		3,000
Total School - Sponsored Co-curricular Activities	21,000	5,700	26,700	23,700	3,000
School - Sponsored Athletics - Instruction:					
Salaries	12,000		12,000	7,200	4,800
Purchased Services	900		900	870	30
Supplies and Materials	1,000		1,000		1,000
Total School - Sponsored Athletics - Instruction	13,900		13,900	8,070	5,830
Total Instruction	2,949,552	(89,199)	2,860,353	2,815,643	44,710
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs within the State - Regular	11,874	1,208	13,082	13,082	
Tuition - Other LEAs Outside State - Regular	10,000	(10,000)			
Tuition to CSSD & Reg Day Schools	412,346	117,368	529,714	529,713	1
Tuition to Private School for the Disabled - Within State	46,440	(37,716)	8,724	8,724	
Total Instruction	480,660	70,860	551,520	551,519	1
Health Services:					
Salaries	53,417	(5,904)	47,513	47,513	
Purchased Professional & Technical Services	1,100	(915)	185	185	
Other Purchased Services	200		200		200
Supplies & Materials	2,000	400	2,400	2,285	115
Total Health Services	56,717	(6,419)	50,298	49,983	315
Other Support Services - Student - Related Services:					
Salaries	60,482	(60,482)			
Purchased Professional - Educational Services	18,000	78,484	96,484	96,483	1
Supplies & Materials	100		100		100
Other Objects	100		100		100
Total - Other Support Serv - Student - Related Serv	78,682	18,002	96,684	96,483	201

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Expenditures (Continued):					
Current Expense (Continued):					
Undistributed Expenditures: (Continued):					
Special Education - Extraordinary Services					
Salaries - Aides	\$ 61,987	\$ 325	\$ 62,312	\$ 62,311	\$ 1
Total - Special Education - Extraordinary Services	61,987	325	62,312	62,311	1
Guidance					
Salaries of Other Professional Staff	55,050	(4,500)	50,550	50,096	454
Other Purchased Professional & Technical Services	10,000	(1,462)	8,538	8,538	
Other Purchased Services	300		300	178	122
Supplies & Materials	4,000	1,194	5,194	5,170	24
Total - Other Support Services - Students - Regular	69,350	(4,768)	64,582	63,982	600
Child Study Teams					
Salaries of Secretarial and Clerical Assistants	26,757	(26,757)			
Other Purchased Professional & Tech Serv	1,000		1,000	842	158
Supplies & Materials	500	328	828	827	1
Total - Other Support Services - Students - Special	28,257	(26,429)	1,828	1,669	159
Improvement of Instruction Services/Other Support:					
Salaries of Other Professional Staff	6,000	(1,083)	4,917	4,916	1
Purchased Professional - Educational Services	18,000	(1,328)	16,672	16,534	138
Other Purchased Services	800	2,250	3,050		3,050
Supplies & Materials	2,000	(1,388)	612		612
Other Objects	1,500	(619)	881		881
Total - Improvement of Instruction Services/Other Support					
Services - Instructional Staff	28,300	(2,168)	26,132	21,450	4,682
Educational Media Services - School Library:					
Salaries - Other Professional Staff	76,506		76,506	75,767	739
Purchased Professional & Technical Services	14,000	6,173	20,173	20,173	
Supplies & Materials	5,000	6,541	11,541	5,109	6,432
Other Objects	750	(155)	595	178	417
Total Educational Media Services - School Library	96,256	12,559	108,815	101,227	7,588
Instructional Staff Training Services:					
Purchased Professional - Educational Services	500	739	1,239	1,239	
Other Purchased Services - Travel	3,000	(250)	2,750	1,722	1,028
Supplies and Materials	2,500	(1,750)	750	64	686
Total - Instructional Staff Training Services	6,000	(1,261)	4,739	3,025	1,714

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Expenditures (Continued):					
Current Expense (Continued):					
Undistributed Expenditures: (Continued):					
Support Services - General Administration:					
Salaries	\$ 150,875	\$ (40,874)	\$ 110,001	\$ 110,000	\$ 1
Salaries of Secretaries and Clerical		38,701	38,701	38,700	1
Legal Services	12,000	722	12,722	12,722	
Audit Fees	15,000		15,000	14,085	915
Other Purchased Professional Services	3,500	(1,712)	1,788	1,788	
Equipment Rental		2,085	2,085	2,084	1
Communications/Telephone	54,000	19,135	73,135	73,134	1
BOE Other Purchased Services	2,750	(600)	2,150	1,576	574
Misc Purchased Services	36,000	4,541	40,541	40,477	64
General Supplies	7,250	4,023	11,273	11,273	
Judgments Against School District	2,500	(2,400)	100		100
Miscellaneous Expenditures	2,500	2,662	5,162	5,111	51
BOE Membership Dues and Fees	4,402	(200)	4,202	3,883	319
Total Support Services - General Administration	290,777	26,083	316,860	314,833	2,027
Support Services - School Administration:					
Salaries - Principals/Assistant Principals	139,359	(19,266)	120,093	120,092	1
Salaries - Secretarial & Clerical Assistants	51,967	4,192	56,159	55,797	362
Other Purchased Services	1,000		1,000	670	330
Supplies & Materials	9,250	853	10,103	10,103	
Other Objects	5,000	1,450	6,450	6,450	
Total Support Series - School Administration	206,576	(12,771)	193,805	193,112	693
Central Services					
Salaries	128,715	(34,266)	94,449	94,448	1
Salaries of Other Staff		41,747	41,747	41,746	1
Purchased Technical Services	12,000	3,447	15,447	15,447	
Miscellaneous Purchased Services	2,000	(1,343)	657	656	1
Supplies and Materials	4,500	1,603	6,103	6,003	100
Interest on Current Loans	500	(500)			
Miscellaneous Expenditures	1,500	(185)	1,315	1,315	
Total Central Services	149,215	10,503	159,718	159,615	103
Admin. Info. Technology					
Purchased Professional Services	50,000	10,345	60,345	60,345	
Other Purchased Services	8,500	(2,378)	6,122	6,096	26
Supplies and Materials	2,000	2,501	4,501	4,500	1
Total Admin. Info. Technology	60,500	10,468	70,968	70,941	27
Required Maintenance - School Facilities					
Cleaning, Repair, Maintenance Services	43,500	(1,000)	42,500	41,699	801
General Supplies	9,000	(3,442)	5,558	5,558	
Total - Required Maintenance - School Facilities	52,500	(4,442)	48,058	47,257	801

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Expenditures (Continued):					
Current Expense (Continued):					
Undistributed Expenditures: (Continued):					
Other Operation & Maintenance - Plant Services					
Salaries	\$ 6,000	\$	\$ 6,000	\$ 5,512	\$ 488
Purchased Professional & Technical Services	22,000	(11,304)	10,696	10,695	1
Cleaning, Repair, Maintenance Services	177,000	(17,565)	159,435	159,435	
Other Purchased Property Services	5,000	2,000	7,000	6,849	151
Insurance	32,000	(1,500)	30,500	29,336	1,164
Miscellaneous Purchased Services	500	(500)			
General Supplies	7,000		7,000	4,187	2,813
Energy (Natural Gas)	7,500	1,799	9,299	9,299	
Energy (Electricity)	213,000	(14,082)	198,918	198,918	
Total - Other Operation & Maintenance - Plant Services	470,000	(41,152)	428,848	424,231	4,617
Care & Upkeep of Grounds					
Salaries	47,931	569	48,500	48,496	4
Cleaning, Repair, Maintenance Services	11,000	370	11,370	11,369	1
General Supplies	3,000	(715)	2,285	575	1,710
Other Objects	500		500	191	309
Total - Care & Upkeep of Grounds	62,431	224	62,655	60,631	2,024
Total - Operation & Maintenance - Plant Services	584,931	(45,370)	539,561	532,119	7,442
Security					
Salaries		18,000	18,000	17,647	353
Total - Security		18,000	18,000	17,647	353
Student Transportation Services:					
Salaries - Between Home & School - Regular	8,367	544	8,911	8,910	1
Management Fee - ESC & CTSA Trans Program	23,316	2,218	25,534	25,533	1
Contracted Services - Aid in Lieu of Payments	34,935	(9,001)	25,934	23,706	2,228
Contracted Services (Home/School) - Vendors	15,000	(15,000)			
Contracted Services (Not Home/School) - Vendors	28,080	(10,299)	17,781	17,780	1
Contracted Services (Home/School) - Joint Agreements	296,309	(5,256)	291,053	291,053	
Contracted Services (Special Ed) - Vendors	140,400	17,499	157,899	157,899	
Total - Student Transportation Services	546,407	(19,295)	527,112	524,881	2,231
UNALLOCATED BENEFITS:					
Social Security Contributions	82,000	(8,226)	73,774	71,139	2,635
Other Retirement Contributions - Regular	79,916	(99)	79,817	76,952	2,865
Unemployment Compensation	12,000	8,689	20,689	20,689	
Workmen's Compensation	46,000	(151)	45,849	42,444	3,405
Health Benefits	839,454	16,273	855,727	802,231	53,496
Tuition Reimbursement	12,000	627	12,627	12,627	
Other Employee Benefits	16,990		16,990	16,990	
Total - UNALLOCATED BENEFITS	1,088,360	17,113	1,105,473	1,043,072	62,401

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Expenditures (Continued):					
Current Expense (Continued):					
Undistributed Expenditures: (Continued):					
On-behalf TPAF Pension Contributions (Non-Budgeted)	\$	\$	\$	\$ 153,820	\$ (153,820)
On-behalf TPAF Post Retirement Med. Contributions (Non-Budgeted)				252,206	(252,206)
Reimbursement TPAF Social Security Contributions (Non-Budgeted)				273,501	(273,501)
Total - UNDISTRIBUTED EXPENDITURES	<u>3,832,975</u>	<u>65,432</u>	<u>3,898,407</u>	<u>4,487,396</u>	<u>(588,989)</u>
TOTAL EXPENDITURES - CURRENT EXPENSE	<u>6,782,527</u>	<u>(23,767)</u>	<u>6,758,760</u>	<u>7,303,039</u>	<u>(544,279)</u>
CAPITAL OUTLAY:					
Increase in Capital Reserve:					
Interest Deposit to Capital Reserve					
Undistributed Expenditures - Equipment					
Grades 6-8	4,000	(4,000)			
Administrative		3,500	3,500	3,089	411
Custodial	3,000	(3,000)			
Care and Upkeep of Grounds	2,000	(2,000)			
Security	10,000	(10,000)			
Total Equipment	<u>19,000</u>	<u>(15,500)</u>	<u>3,500</u>	<u>3,089</u>	<u>411</u>
Facilities Acquisition & Construction Services					
Construction Services		162,200	162,200	158,956	3,244
Assessment for Debt Service on SDA Funding	182,757	(25,071)	157,686	157,686	
Total - Facilities Acquisition & Construction Services	<u>182,757</u>	<u>137,129</u>	<u>319,886</u>	<u>316,642</u>	<u>3,244</u>
TOTAL - CAPITAL OUTLAY	<u>201,757</u>	<u>121,629</u>	<u>323,386</u>	<u>319,731</u>	<u>3,655</u>
TOTAL EXPENDITURES	<u>6,984,284</u>	<u>97,862</u>	<u>7,082,146</u>	<u>7,622,770</u>	<u>(540,624)</u>

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (217,374)	\$ (97,862)	\$ (315,236)	\$ (125,549)	\$ 189,687
Other Financing Sources (Uses):					
Transfer to Charter School	(22,126)	(13,581)	(35,707)	(35,706)	1
Transfer from Capital Project Fund - Interest				808	808
Transfer from Capital Project to Capital Reserve				337,314	337,314
Transfer Unspent Project Match to General Fund				111,443	111,443
Total Other Financing Sources (Uses)	(22,126)	(13,581)	(35,707)	413,859	449,566
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(239,500)	(111,443)	(350,943)	288,310	639,253
Fund Balances, July 1	402,993		402,993	402,993	
Fund Balances, June 30	<u>\$ 163,493</u>	<u>\$ (111,443)</u>	<u>\$ 52,050</u>	<u>\$ 691,303</u>	<u>\$ 639,253</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:

Maintenance Reserve \$ 10,000

Assigned Fund Balance:

Capital Reserve 337,314

Maintenance Reserve 17,500

Designated for Subsequent Year's Expenditures 135,000

Unassigned Fund Balance

191,489

691,303

Reconciliation to Governmental Fund Statements (GAAP):

Last State Aid Payment not Recognized on GAAP Basis (523,090)

TOTAL

\$ 168,213

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 1,562,440	\$	\$ 1,562,440	\$ 1,392,213	\$ (170,227)
Federal Sources	402,208	361,409	763,617	649,354	(114,263)
Total Revenues	1,964,648	361,409	2,326,057	2,041,567	(284,490)
EXPENDITURES:					
Instruction					
Salaries	686,675	90,558	777,233	767,574	9,659
Other Salaries for Instruction	237,748	73,143	310,891	254,124	56,767
Tuition		20,043	20,043	19,876	167
Purchased Prof/Ed. Services		17,457	17,457	6,960	10,497
Other Purchased Services		10,000	10,000	7,876	2,124
General Supplies	100,000	12,593	112,593	91,823	20,770
Travel		6,744	6,744	6,744	
Transportation - Field Trips	8,000		8,000	5,021	2,979
Total Instruction	1,032,423	230,538	1,262,961	1,159,998	102,963
Support Services					
Salaries - Staff	29,561	9,103	38,664	38,049	615
Salaries of Other Professional Services	17,729	5,250	22,979	22,979	
Salaries of Secretarial/Clerical	13,540	12,101	25,641	25,640	1
Salaries of Master Teachers	52,110	4,539	56,649	56,648	1
Personal Services - Employee Benefits	301,759	48,894	350,653	348,039	2,614
Purchased Professional & Technical Services	50,000	(3,903)	46,097	43,021	3,076
Purchased Professional & Educational Services	18,000	(16,588)	1,412		1,412
Cleaning, Repair & Maintenance Services - Preschool	50,000	25,243	75,243	75,242	1
Rentals	16,000	(12,130)	3,870	3,208	662
Other Purchased Services	132,269	51,388	183,657	163,888	19,769
Contracted Transp Grants	64,000	(9,110)	54,890	53,100	1,790
Contracted Transp Grants - Field Trips	10,000		10,000	4,840	5,160
Travel	8,000	(1,146)	6,854	637	6,217
Supplies and Materials	30,257	12,527	42,784	40,631	2,153
Other Objects	4,000	4,703	8,703	5,647	3,056
Total Support Services	797,225	130,871	928,096	881,569	46,527
Facilities Acquisition and Construction Services:					
Buildings					
Instructional Equipment	75,000		75,000		75,000
Non-Instructional Equipment	60,000		60,000		60,000
Total Facilities Acquisition and Construction Services	135,000		135,000		135,000
Total Expenditures	1,964,648	361,409	2,326,057	2,041,567	284,490
Other Financing Sources (Uses)					
Total Outflows	1,964,648	361,409	2,326,057	2,041,567	284,490
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
BUDGET - TO - GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund		Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1] \$ 7,497,221	[C-2] \$	2,041,567
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that			
encumbrances are recognized as expenditures, and the related			
revenue is recognized.			
Current Year			
Prior Year			
State aid payment recognized for GAAP statements in current year,			
previously recognized for budgetary purposes.	550,551		113,166
State aid payment recognized for budgetary purposes,			
not recognized for GAAP statements until the subsequent year	(523,090)		(146,244)
Total revenues as reported on the Statement of Revenues, Expenditures			
and Changes in Fund Balances - Governmental Funds.	[B-2] \$ <u>7,524,682</u>	[B-2] \$	<u>2,008,489</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the			
budgetary comparison schedule	[C-1] \$ 7,622,770	[C-2] \$	2,041,567
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but			
not received are reported in the year the order is placed for			
<i>budgetary</i> purposes, but in the year the supplies are received			
for <i>financial reporting</i> purposes.			
Transfers to and from other funds are presented as outflows of			
budgetary resources but are not expenditures			
for financial reporting purposes.			
Net transfers (outflows) to general fund			
Total expenditures as reported on the Statement of Revenues,			
Expenditures, and Changes in Fund Balances - Governmental Funds	[B-2] \$ <u>7,622,770</u>	[B-2] \$	<u>2,041,567</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Title I</u>		<u>Title II</u>		<u>Sub-Total</u>	
	<u>Part A</u>	<u>SIA</u>	<u>Part A</u>	<u>Preschool Education</u>	<u>Per E-1(2)</u>	<u>Totals 2014</u>
REVENUES:						
State Sources				\$ 1,392,213	-	\$ 1,392,213
Federal Sources	\$ 316,454	\$ 87,664	\$ 57,544		\$ 187,692	649,354
Total Revenues	<u>316,454</u>	<u>87,664</u>	<u>57,544</u>	<u>1,392,213</u>	<u>187,692</u>	<u>2,041,567</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	212,716	66,283	44,171	444,404		767,574
Other Salaries for Instruction				254,124		254,124
Tuition					19,876	19,876
Purchased Professional Ed.Services	6,960					6,960
Other Purchased Services				7,876		7,876
General Supplies	17,641	4,839		69,343		91,823
Transportation - Field Trips		6,744				6,744
Other Objects				5,021		5,021
Total Instruction	<u>237,317</u>	<u>77,866</u>	<u>44,171</u>	<u>780,768</u>	<u>19,876</u>	<u>1,159,998</u>
Support Services:						
Salaries of Principals/Asst Prin/ Prog Dir	4,840			33,209		38,049
Salaries of Other Professional Services				22,979		22,979
Salaries of Secretarial/Clerical				25,640		25,640
Salaries of Master Teachers				56,648		56,648
Personal Services-Employee Benefits	67,183	6,262	8,419	266,175		348,039
Purchased Prof./Educational Services			4,954	32,891	5,176	43,021
Cleaning, Repair & Maint Services				75,242		75,242
Rentals				3,208		3,208
Other Purchased Services	7,114	36			156,738	163,888
Contractual Transport.				53,100		53,100
Contractual Transport. - Field Trips				4,840		4,840
Travel				637		637
Supplies and Materials				34,729	5,902	40,631
Other Objects		3,500		2,147		5,647
Total Support Services	<u>79,137</u>	<u>9,798</u>	<u>13,373</u>	<u>611,445</u>	<u>167,816</u>	<u>881,569</u>
Facilities Acquisition:						
Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	<u>\$ 316,454</u>	<u>\$ 87,664</u>	<u>\$ 57,544</u>	<u>\$ 1,392,213</u>	<u>\$ 187,692</u>	<u>\$ 2,041,567</u>

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	IDEA			Totals
	Pre-K	B-Basic	RTT3	2014
REVENUES:				
State Sources				
Federal Sources	\$ 5,176	\$ 176,614	\$ 5,902	\$ 187,692
Total Revenues	5,176	176,614	5,902	187,692
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Other Salaries for Instruction				
Tuition		19,876		19,876
Other Purchased Services				
General Supplies				
Transportation - Field Trips				
Other Objects				
Total Instruction		19,876		19,876
Support Services:				
Salaries of Principals/Asst Prin/ Prog Dir				
Salaries of Other Professional Services				
Salaries of Secretarial/Clerical				
Salaries of Master Teachers				
Personal Services-Employee Benefits				
Purchased Prof/Educational Services	5,176			5,176
Cleaning, Repair & Maint Services				
Other Purchased Services		156,738		156,738
Con Trn Grants				
Con Trn Grants - Field Trips				
Travel				
Supplies and Materials			5,902	5,902
Total Support Services	5,176	156,738	5,902	167,816
Facilities Acquisition:				
Instructional Equipment				
Total Facilities Acquisition				
Total Expenditures	\$ 5,176	\$ 176,614	\$ 5,902	\$ 187,692

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 444,404	\$ 444,404	\$
Other Salaries of Instruction	254,125	254,124	1
Other Purchased Services (400-500 series)	10,000	7,876	2,124
General Supplies	81,539	69,343	12,196
Other Objects	8,000	5,021	2,979
Total Instruction	798,068	780,768	17,300
Support Services:			
Salaries of Program Directors	33,825	33,209	616
Salaries of Other Professional Staff	22,979	22,979	
Salaries of Secretarial & Clerical Assistants	25,641	25,640	1
Salaries of Master Teachers	56,649	56,648	1
Personal Services-Employee Benefits	266,175	266,175	
Other Purchased Professional - Services	34,517	32,891	1,626
Cleaning Repair and Maint Services	75,243	75,242	1
Rentals	3,870	3,208	662
Contractual Service-Tran. (Bet. Home & School)	54,890	53,100	1,790
Contractual Service-Tran. (Field Trips)	10,000	4,840	5,160
Travel	6,854	637	6,217
Supplies and Materials	34,729	34,729	
Other Objects	4,000	2,147	1,853
Total Support Services	629,372	611,445	17,927
Facilities Acquisition and Construction Services:			
Instruction Equipment	135,000		135,000
Total Facilities Acquisition and Construction Services	135,000		135,000
Contribution to Charter Schools			
Total Expenditures	\$ 1,562,440	\$ 1,392,213	\$ 170,227

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2013-14 Preschool Education Aid Allocation	\$ 1,462,440	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2013)	233,080	(2)
Add: Budgeted Transfer from the General Fund 2013-14		(3)
Total Preschool Education Aid Funds Available for 2013-14 Budget	1,695,520	(4)
Less: 2013-14 Budgeted Preschool Education Aid (including prior year budget carryover)	1,562,440	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2014	133,080	(6)
Add: June 30, 2014 Unexpended Preschool Education Aid	170,227	(7)
Less: 2013-14 Commissioner-approved Transfer to the General Fund		(8)
2013-14 Carryover -Preschool Education Aid Programs	\$ 303,307	(9)
2013-14 Preschool Education Aid Carryover Budgeted for Preschool Programs 2014-15	\$ 120,000	(10)

Note: Since the 2013-14 Actual Carryover is more than the amount budgeted in 2014-15,
the District should consider revising its 2014-15 Preschool Education Program Budget.

\$ 183,307

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

EXHIBIT F-1

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Adjustment</u>	<u>Unexpended Balance June 30, 2014</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Construction of new Elementary/Middle School, necessary onsite and offsite improvements, furniture, and equipment associated with such improvements.	1/15/04	\$ 5,297,813	\$ 5,185,673	\$	\$ (52,500)	\$ 59,640
Construction of an addition as well as undertake various improvements and renovations to the Fairfield Township Elementary School and to acquire the necessary equipment and undertake any necessary site work.	3/1/10	3,984,772	3,871,720			113,052
Construction of an Early Childhood Addition	1/15/09	938,230	938,230			
Demolition of Original Fairfield Elementary School	2/28/13	1,225,561	510,446	566,982	(148,133)	
		<u>\$ 11,446,376</u>	<u>\$ 10,506,069</u>	<u>\$ 566,982</u>	<u>\$ (200,633)</u>	<u>\$ 172,692</u>

EXHIBIT F-2

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2014

**Revenues and Other Financing
Sources**

State Sources - SCC Grant	\$ 701,181
Interest	808
	<hr/>
Total Revenues	701,989
	<hr/>

Expenditures and Other Financing Uses

Demolition Services	566,982
	<hr/>
Total Expenditures	566,982
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	135,007
Cancelled	(73,380)
Transfer Interest to General Fund	(808)
Transfer Unspent Project Match to Capital Reserve	(337,314)
Transfer Unspent Project Match to General Fund	(111,443)
Transfer Unspent Project Match to Debt Service Fund	(52,500)
	<hr/>
	(\$440,438)
Fund Balance - Beginning	613,130
	<hr/>
Fund Balance - Ending	\$ 172,692
	<hr/> <hr/>

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF NEW ELEMENTARY/MIDDLE SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$	\$	\$	\$
Bond Proceeds and Transfers	4,981,000		4,981,000	4,981,000
Transfer to Demolition Project	(283,187)		(283,187)	(283,187)
Transfer from Capital Reserve	600,000		600,000	600,000
Total Revenues	5,297,813		5,297,813	5,297,813
Expenditures and Other Financing Uses				
Construction Services	5,185,673		5,185,673	5,297,813
Total Expenditures	5,185,673		5,185,673	5,297,813
Less: Transferred to Debt Service fund		(52,500)	(52,500)	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 112,140	\$ (52,500)	\$ 59,640	\$

Additional project information:

Project Number	1460-050-02-0530
Grant Date	January 15, 2004
Bond Authorization Date	January 15, 2004
Bond Authorized	\$4,981,000
Bonds Issued	\$4,981,000
Original Authorization Cost	\$5,481,898
Additional Authorized Cost	\$0.00
Revised Authorized Cost	\$5,481,898
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	August 31, 2005
Revised Target Completion Date	December 8, 2005

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF ADDITIONS AND RENOVATIONS TO ELEMENTARY/MIDDLE SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 1,984,772	\$	\$ 1,984,772	\$ 1,984,772
Bond Proceeds and Transfers	2,000,000		2,000,000	2,000,000
Total Revenues	3,984,772		3,984,772	3,984,772
Expenditures and Other Financing Uses				
Professional Technical Services	95,285		95,285	95,285
Construction Services	3,776,435		3,776,435	3,889,487
Total Expenditures	3,871,720		3,871,720	3,984,772
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 113,052	\$	\$ 113,052	\$

Additional project information:

Project Number	1460-070-09-1002-G02
Grant Date	August 17, 2009
Bond Authorization Date	December 8, 2009
Bond Authorized	\$2,000,000
Bonds Issued	\$2,000,000
Original Authorization Cost	\$3,984,772
Additional Authorized Cost	\$0
Revised Authorized Cost	\$3,984,772
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	December 31, 2010
Revised Target Completion Date	December 31, 2010

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF AN EARLY CHILDHOOD ADDITION
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 593,522	\$	\$ 593,522	\$ 593,522
Transfer from Capital Outlay	199,324		199,324	199,324
Transfer from Capital Reserve	482,698	(337,314)	145,384	145,384
Total Revenues	1,275,544	(337,314)	938,230	938,230
Expenditures and Other Financing Uses				
Professional Technical Services	49,230		49,230	49,230
Construction Services	889,000		889,000	889,000
Total Expenditures	938,230		938,230	938,230
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 337,314	\$ (337,314)	\$0	\$

Additional project information:

Project Number	1460-070-09-1001
Grant Date	January 15, 2009
Original Authorization Cost	\$1,359,972
Reduction in Authorized Cost	\$84,428
Revised Authorized Cost	\$0
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	March 15, 2010
Revised Target Completion Date	March 15, 2010

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
PROJECT STATUS - BUDGETARY BASIS
DEMOLITION OF ORIGINAL FAIRFIELD ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 102,027	\$ 627,801	\$ 729,828	\$ 766,518
Local Share Transferred from SDA	283,187		283,187	283,187
Local Share Transferred from SDA	175,856	(111,443)	64,413	64,413
Total Revenues	561,070	516,358	1,077,428	1,114,118
Expenditures and Other Financing Uses				
Architectural Services	98,103		98,103	101,461
Other Professional Technical Services	17,000		17,000	17,000
Demolition Services	395,343	566,982	962,325	995,657
Total Expenditures	510,446	566,982	1,077,428	1,114,118
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 50,624	\$ (50,624)	\$ -	\$

Additional project information:

Project Number	1460-01-00-0366-01
Grant Date	February 28, 2013
Original Authorization Cost	\$1,479,311
Reduction in Authorized Cost	N/A
Revised Authorized Cost	\$0
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	0%
Original Target Completion Date	February 28, 2013
Revised Target Completion Date	September 30, 2014

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District's Board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the School District.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5
AND B-6.**

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2014 AND 2013

	<u>Food Service</u> <u>Fund</u>	<u>Totals</u>	
		<u>2014</u>	<u>2013</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 47,192	\$ 47,192	\$ 10,303
Accounts Receivable:			
State	1,292	1,292	660
Federal	75,532	75,532	26,316
Other	6,423	6,423	
Interfund Accounts Receivable	105,090	105,090	55,215
Inventories	6,100	6,100	6,687
	<hr/>	<hr/>	<hr/>
Total Current Assets	241,629	241,629	99,181
	<hr/>	<hr/>	<hr/>
Fixed Assets:			
Equipment	249,816	249,816	249,816
Accumulated Depreciation	(160,533)	(160,533)	(145,699)
	<hr/>	<hr/>	<hr/>
Total Fixed Assets	89,283	89,283	104,117
	<hr/>	<hr/>	<hr/>
Total Assets	330,912	330,912	203,298
	<hr/>	<hr/>	<hr/>
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	2,433	2,433	2,217
Accounts Payable	164,162	164,162	84,652
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	166,595	166,595	86,869
	<hr/>	<hr/>	<hr/>
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	89,283	89,283	104,117
Unrestricted	75,034	75,034	12,312
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 164,317	\$ 164,317	\$ 116,429
	<hr/>	<hr/>	<hr/>

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2014 AND 2013

	<u>Food Service</u>	<u>Totals</u>	
	<u>Fund</u>	<u>2014</u>	<u>2013</u>
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Breakfast Program	\$ 5,604	\$ 5,604	\$ 7,255
School Lunch Program	23,380	23,380	26,318
Daily Sales - Non-Reimbursable Programs:	32,267	32,267	28,011
Summer Program	14,994	14,994	10,715
Special Functions	12,688	12,688	3,590
Satellite Revenue	32,922	32,922	
Total Operating Revenue	<u>121,855</u>	<u>121,855</u>	<u>75,889</u>
OPERATING EXPENSES:			
Salaries	110,134	110,134	108,325
Employee Benefits	31,886	31,886	33,112
Management Fees	17,040	17,040	16,800
Supplies	20,340	20,340	20,312
Miscellaneous	21,708	21,708	7,919
Depreciation	14,834	14,834	14,834
Cost of Sales	259,022	259,022	247,873
Total Operating Expenses	<u>474,964</u>	<u>474,964</u>	<u>449,175</u>
Operating Loss	<u>(353,109)</u>	<u>(353,109)</u>	<u>(373,286)</u>
Non-Operating Revenues:			
State Sources:			
State School Lunch Program	5,263	5,263	5,155
Federal Sources:			
National School Breakfast Program	134,392	134,392	106,713
National School Lunch Program	236,987	236,987	218,100
National School Snack Program	1,749	1,749	1,514
Fruit and Vegetable Grant			22,832
Food Distribution Program	22,467	22,467	16,150
Interest	139	139	300
Total Non-Operating Revenues	<u>400,997</u>	<u>400,997</u>	<u>370,764</u>
Non-Operating Expenses and (Income):			
Total Non-Operating Expenses			
Net Income	<u>47,888</u>	<u>47,888</u>	<u>(2,522)</u>
Net Position - July 1	<u>116,429</u>	<u>116,429</u>	<u>118,951</u>
Net Position - June 30	<u>\$ 164,317</u>	<u>\$ 164,317</u>	<u>\$ 116,429</u>

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOW
AS OF JUNE 30, 2014 AND 2013

	<u>Food Service</u> <u>Fund</u>	<u>Totals</u>	
		<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ (353,109)	\$ (353,109)	\$ (373,286)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:			
Depreciation	14,834	14,834	14,834
Change in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(56,271)	(56,271)	34,444
(Increase)/Decrease in Interfund Receivable	(49,875)	(49,875)	(55,215)
(Increase)/Decrease in Inventory	587	587	(116)
Increase/(Decrease) in Accounts Payable	79,510	79,510	10,781
Increase/(Decrease) in Unearned Revenue	216	216	549
Increase/(Decrease) in Interfund Payable			(34,349)
Net Cash Used by Operating Activities	(364,108)	(364,108)	(402,358)
Cash Flows from Noncapital Financing Activities:			
Cash Received from State and Federal Reimbursements	400,997	400,997	370,764
Net Cash Provided by Noncapital Financing Activities	400,997	400,997	370,764
Cash Flows from Capital Financing Activities:			
Purchase of Fixed Assets			
Cash Flows from Investing Activities:			
Interest on Investments			
Net Increase/(Decrease) in Cash and Cash Equivalents	36,889	36,889	(31,594)
Cash and Cash Equivalents, July 1	10,303	10,303	41,897
Cash and Cash Equivalents, June 30	\$ 47,192	\$ 47,192	\$ 10,303

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2012)

	<u>Agency</u>		<u>Totals</u>	
	<u>Student Activity</u>	<u>Payroll</u>	<u>2014</u>	<u>2013</u>
ASSETS:				
Cash and Cash Equivalents	\$ 5,196	\$ 119,316	\$ 124,512	\$ 203,637
Due from Employee				289
Total Assets	<u>\$ 5,196</u>	<u>\$ 119,316</u>	<u>\$ 124,512</u>	<u>\$ 203,926</u>
LIABILITIES AND NET POSITION:				
Liabilities:				
Payroll Deductions and Withholdings	\$	\$ 40,275	\$ 40,275	\$ 72,927
Flexible Spending Reserve		4,198	4,198	
Due to General Fund		74,843	74,843	126,705
Accounts Payable	4,092		4,092	1,055
Due to Student Groups	1,104		1,104	3,239
Total Liabilities	<u>5,196</u>	<u>119,316</u>	<u>124,512</u>	<u>203,926</u>
Total Liabilities and Net Position	<u>\$ 5,196</u>	<u>\$ 119,316</u>	<u>\$ 124,512</u>	<u>\$ 203,926</u>

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>July 1,</u> <u>2013</u>	<u>Cash</u> <u>Receipts</u>	<u>Accounts</u> <u>Receivable</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>June 30,</u> <u>2014</u>
Middle School	\$ 3,239	\$ 22,404	\$	\$ 20,447	\$ 4,092	\$ 1,104
Totals	\$ 3,084	\$ 22,404	\$	\$ 20,447	\$ 4,092	\$ 1,104

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS:				
Cash and Cash Equivalents	\$ 199,715	\$ 6,218,971	\$ 6,299,370	\$ 119,316
Due from Employee	289		289	
Total Assets	<u>\$ 75,891</u>	<u>\$ 6,218,971</u>	<u>\$ 6,299,659</u>	<u>\$ 119,316</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 72,927	\$ 6,139,930	\$ 6,172,582	\$ 40,275
Flexible Spending Reserve		4,198		4,198
Due to General Fund	126,705	74,843	126,705	74,843
Accounts Payable	372		372	
Total Liabilities	<u>\$ 75,891</u>	<u>\$ 6,218,971</u>	<u>\$ 6,299,659</u>	<u>\$ 119,316</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

EXHIBIT I-1

FAIRFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2014

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2013</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance June 30, 2014</u>
			<u>Date</u>	<u>Amount</u>					
Construction of new elementary/middle school, necessary onsite and offsite improvements and necessary furniture and equipment associated with such improvements.	3/15/04	\$ 4,981,000	9/15/2014	\$ 3,206,000 Refunded		\$ 3,456,000	\$	\$ 250,000	\$ 3,206,000
Construction of an addition as well as undertake various improvements and renovations to the Fairfield Township Elementary School and to acquire the necessary equipment and undertake any necessary site work.	3/1/10	\$ 2,000,000	3/1/15	\$ 80,000	3.000%	\$ 1,790,000	\$	\$ 70,000	\$ 1,720,000
			3/1/16	85,000	3.125%				
			3/1/17	90,000	3.500%				
			3/1/18	95,000	3.500%				
			3/1/19-22	100,000	3.500%				
			3/1/23	110,000	3.750%				
			3/1/24-25	110,000	4.000%				
			3/1/26-27	120,000	4.000%				
			3/1/28-29	130,000	4.000%				
			3/1/30	140,000	4.000%				
Totals						\$ 5,246,000	\$	\$ 320,000	\$ 4,926,000

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 519,042	\$	\$ 519,042	\$ 519,042	\$
Total Revenues - Local Sources	519,042		519,042	519,042	
State sources:					
Debt Service Aid Type II					
Total Revenues - State Sources					
Total Revenues	519,042		519,042	519,042	
EXPENDITURES					
Regular Debt Service:					
Redemption of Principal	320,000		320,000	320,000	
Interest	199,042		199,042	199,042	
Total Regular Debt Service	519,042		519,042	519,042	
Total Expenditures	519,042		519,042	519,042	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Transfer from Capital Projects Fund				52,500	52,500
Fund Balances, July 1					
Fund Balances, June 30	\$	\$	\$	\$ 52,500	\$ 52,500
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$	\$	\$	\$ 52,500	\$

STATISTICAL SECTION

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ (1,111,904)	\$ 1,449,141	\$ 1,002,002	\$ 10,561,634	\$ 10,129,348	\$ 9,459,843	\$ 12,312,897	\$ 7,872,940	\$ 8,012,695	\$ 7,979,459
Restricted	4,295,546	1,369,311	735,940	463,246	1,097,886	2,724,746	977,545	1,056,002	766,964	725,006
Unrestricted	(436,267)	(369,239)	(406,269)	(251,655)	(555,764)	(739,399)	(338,219)	(287,595)	(647,914)	(566,736)
Total Governmental Activities Net Position	<u>\$ 2,747,375</u>	<u>\$ 2,449,213</u>	<u>\$ 1,331,673</u>	<u>\$ 10,773,225</u>	<u>\$ 10,671,470</u>	<u>\$ 11,445,190</u>	<u>\$ 12,952,223</u>	<u>\$ 8,641,347</u>	<u>\$ 8,131,745</u>	<u>\$ 8,137,729</u>
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 14,675	\$ 12,717	\$ 18,836	\$ 132,496	\$ 136,933	\$ 136,521	\$ 123,109	\$ 118,951	\$ 104,117	\$ 89,283
Restricted										(146,244)
Unrestricted	45,035	15,441	16,148	24,063	50,865	7,799	19,244		12,312	75,034
Total Business-Type Activities Net Position	<u>\$ 59,710</u>	<u>\$ 28,158</u>	<u>\$ 34,984</u>	<u>\$ 156,559</u>	<u>\$ 187,798</u>	<u>\$ 144,320</u>	<u>\$ 142,353</u>	<u>\$ 118,951</u>	<u>\$ 116,429</u>	<u>\$ 18,073</u>
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ (1,097,229)	\$ 1,461,858	\$ 1,020,838	\$ 10,694,130	\$ 10,266,281	\$ 9,596,364	\$ 12,436,006	\$ 7,991,891	\$ 8,116,812	\$ 8,068,742
Restricted	4,295,546	1,369,311	735,940	463,246	1,097,886	2,724,746	977,545	1,056,002	766,964	578,762
Unrestricted	(391,232)	(353,798)	(390,121)	(227,592)	(504,899)	(731,600)	(318,975)	(287,595)	(635,602)	(491,702)
Total District-Wide Net Position	<u>\$ 2,807,085</u>	<u>\$ 2,477,371</u>	<u>\$ 1,366,657</u>	<u>\$ 10,929,784</u>	<u>\$ 10,859,268</u>	<u>\$ 11,589,510</u>	<u>\$ 13,094,576</u>	<u>\$ 8,760,298</u>	<u>\$ 8,248,174</u>	<u>\$ 8,155,802</u>

Source: CAFR Schedule A-1

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 2,290,397	\$ 2,409,505	\$ 2,419,480	\$ 2,541,764	\$ 2,985,335	\$ 3,662,220	\$ 3,336,418	\$ 3,367,316	\$ 3,150,130	\$ 3,188,568
Special Education	546,043	510,808	509,161	505,488	595,850	223,476	410,858	497,594	494,964	506,453
Other Special Instruction	149,095	184,276	199,106	178,439	145,321	168,504	77,134	159,433	166,931	195,664
Other Instruction	35,178	27,493	59,910	62,815	73,479	65,794	72,567	70,424	85,260	84,956
Support Services										
Tuition	374,352	478,546	368,500	418,562	518,224	408,837	481,638	383,558	524,146	551,519
Student and Instruction Related Services	820,674	660,652	706,855	703,879	780,552	1,110,300	794,864	889,763	871,912	933,660
General Administrative Services	239,602	143,950	258,508	270,388	375,465	311,001	324,894	276,763	280,209	314,833
School Administrative Services	258,438	275,895	183,777	138,393	165,090	175,506	156,602	210,345	208,571	193,112
Central Services & Info Technology	146,060	185,910	180,695	181,134	198,516	232,437	164,482	207,822	204,782	230,556
Plant Operations and Maintenance	449,997	438,393	558,004	692,253	652,581	632,481	580,466	553,394	581,351	1,258,057
Security										17,647
Pupil Transportation	512,410	486,408	479,171	488,626	531,587	513,955	508,839	526,476	554,280	524,881
Employee Benefits	1,162,233	1,434,102	1,761,528	1,711,706	1,389,774	1,546,527	1,550,801	1,798,555	2,628,187	2,075,641
Interest on Long-Term Debt	218,587	186,435	182,511	176,343	169,733	183,211	339,192	216,960	322,410	353,504
Amortization of Debt Issue Costs	1,735	1,735	1,735	1,735	1,735	2,235	3,735	3,735		
Unallocated Depreciation and Amortization	140,826	143,713	205,254	401,708	373,354	360,363	517,268	357,611	365,805	351,304
Total Governmental Activities Expenses	7,345,627	7,567,821	8,074,195	8,473,233	8,956,596	9,596,847	9,319,758	9,519,749	10,438,938	10,780,355
Business-Type Activities										
Food Service	242,474	273,407	295,061	328,503	338,786	371,513	388,722	447,826	449,175	474,964
Total Business-Type Activities Expense	242,474	273,407	295,061	328,503	338,786	371,513	388,722	447,826	449,175	474,964
Total District Expenses	\$ 7,588,101	\$ 7,841,228	\$ 8,369,256	\$ 8,801,736	\$ 9,295,382	\$ 9,968,360	\$ 9,708,480	\$ 9,967,575	\$ 10,888,113	\$ 11,255,319
Program Revenues										
Governmental Activities										
Operating Grants and Contributions	\$ 1,323,916	\$ 1,743,691	\$ 2,157,819	\$ 2,136,643	\$ 1,797,849	\$ 2,381,901	\$ 2,197,473	\$ 2,369,566	\$ 2,485,404	\$ 2,721,094
Total Governmental Activities Program Revenues	1,323,916	1,743,691	2,157,819	2,136,643	1,797,849	2,381,901	2,197,473	2,369,566	2,485,404	2,721,094
Business-Type Activities										
Charges for Services										
Food Service	57,977	60,821	67,287	72,819	69,609	83,898	81,365	91,200	75,889	121,855
Operating Grants and Contributions	178,572	194,439	223,800	251,893	282,843	301,012	305,390	329,303	370,764	400,997
Total Business-Type Activities Program Revenues	236,549	255,260	291,087	324,712	352,452	384,910	386,755	420,503	446,653	522,852
Total District Program Revenues	\$ 1,560,465	\$ 1,998,951	\$ 2,448,906	\$ 2,461,355	\$ 2,150,301	\$ 2,766,811	\$ 2,584,228	\$ 2,790,069	\$ 2,932,057	\$ 3,243,946
Net (Expense)/Revenue										
Governmental Activities	\$ (6,021,711)	\$ (5,824,130)	\$ (5,916,376)	\$ (6,336,590)	\$ (7,158,747)	\$ (7,214,946)	\$ (7,122,285)	\$ (7,150,183)	\$ (7,953,534)	\$ (8,059,261)
Business-Type Activities	(5,925)	(18,147)	(3,974)	(3,791)	13,666	13,397	(1,967)	(27,323)	(2,522)	47,888
Total District-Wide Net Expense	\$ (6,027,636)	\$ (5,842,277)	\$ (5,920,350)	\$ (6,340,381)	\$ (7,145,081)	\$ (7,201,549)	\$ (7,124,252)	\$ (7,177,506)	\$ (7,956,056)	\$ (8,011,373)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 468,360	\$ 484,756	\$ 584,786	\$ 636,750	\$ 679,730	\$ 696,863	\$ 696,863	\$ 696,863	\$ 710,800	\$ 725,016
Taxes Levied for Debt Service	218,587	277,360	349,210	368,435	371,785	369,785	509,980	514,917	514,661	519,042
Unrestricted Grants and Contributions	5,041,180	4,594,277	4,619,781	5,038,741	5,794,162	6,901,808	7,374,175	6,158,940	6,092,595	6,639,326
Tuition Received	16,677	20,328	13,147	2,632	19,177	2,184				
Adjustment to Fixed Assets	152,552		(819,458)	9,720,585	(276,647)				175,856	(5,021)
Investment Earnings	124,408	100,875	49,948	32,457	5,784	1,244	1,401	1,814	18,690	6,564
Transfer to Charter School						(15,394)				(35,706)
Miscellaneous Income	13,731	48,372	1,422	(21,458)	463,001	32,176	46,899	6,113	(12,780)	69,780
Total Governmental Activities	6,035,495	5,525,968	4,798,836	15,778,142	7,056,992	7,988,666	8,629,318	7,378,647	7,499,822	7,919,001
Business-Type Activities										
Board Subsidy								3,921		
Prior Year Inventory Adjustments		(13,405)	10,800	125,366	17,573	(56,875)				
Total Business-Type Activities		(13,405)	10,800	125,366	17,573	(56,875)		3,921		
Total District-Wide	\$ 6,035,495	\$ 5,512,563	\$ 4,809,636	\$ 15,903,508	\$ 7,074,565	\$ 7,931,791	\$ 8,629,318	\$ 7,382,568	\$ 7,499,822	\$ 7,919,001
Change in Net Position										
Governmental Activities	\$ 13,784	\$ (298,162)	\$ (1,117,540)	\$ 9,441,552	\$ (101,755)	\$ 773,720	\$ 1,507,033	\$ 228,464	\$ (453,712)	\$ (140,260)
Business-Type Activities	(5,925)	(31,552)	6,826	121,575	31,239	(43,478)	(1,967)	(23,402)	(2,522)	47,888
Total District-Wide	\$ 7,859	\$ (329,714)	\$ (1,110,714)	\$ 9,563,127	\$ (70,516)	\$ 730,242	\$ 1,505,066	\$ 205,062	\$ (456,234)	\$ (92,372)

Source: CAFR Schedule A-2

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Restricted	\$ 979,046	\$ 553,014	\$ 338,892	\$ 157,819	\$ 851,263	\$ 275,210	\$ 226,205	\$ 316,497	\$ 267,000	\$
Maintenance Reserve										27,500
Capital Reserve										337,314
Assigned:										
Subsequent Year's Expenditures										135,000
Unassigned	(123,830)	(73,462)	(118,623)	25,441	(295,129)	(488,405)	(335,131)	(284,018)	(414,558)	(331,601)
Total General Fund	<u>\$ 855,216</u>	<u>\$ 479,552</u>	<u>\$ 220,269</u>	<u>\$ 183,260</u>	<u>\$ 556,134</u>	<u>\$ (213,195)</u>	<u>\$ (108,926)</u>	<u>\$ 32,479</u>	<u>\$ (147,558)</u>	<u>\$ 168,213</u>
All Other Governmental Funds										
Reserved										
Unrestricted, Reported in:										
Special Revenue Fund	\$ (35,314)	\$ (35,314)	\$ (35,314)	\$ (35,314)	\$ (74,124)	\$ (92,665)	\$ (105,899)	\$ (105,899)	\$ (113,166)	\$ (146,244)
Capital Projects Fund	3,359,835	816,297	397,439	346,684	344,087	2,543,206	857,239	845,693	613,130	172,692
Debt Service										52,500
Total All Other Governmental Funds	<u>\$ 3,324,521</u>	<u>\$ 780,983</u>	<u>\$ 362,125</u>	<u>\$ 311,370</u>	<u>\$ 269,963</u>	<u>\$ 2,450,541</u>	<u>\$ 751,340</u>	<u>\$ 739,794</u>	<u>\$ 499,964</u>	<u>\$ 78,948</u>

Source: CAFR Schedule B-1

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax Levy	\$ 686,947	\$ 762,116	\$ 933,996	\$ 1,005,185	\$ 1,051,515	\$ 1,066,648	\$ 1,206,843	\$ 1,211,780	\$ 1,225,461	\$ 1,244,058
Tuition Charges	16,677	20,328	13,147	2,632	19,177	2,184				
Interest Earnings	28,211	100,875	49,948	32,457	5,784	1,244	1,401	1,814	18,690	6,564
Miscellaneous	666	103,447	1,422	(18,777)	464,318	32,176	46,899	10,034	28,328	69,780
State Sources	5,797,188	5,805,453	6,133,119	6,660,070	7,012,377	7,286,581	8,872,507	7,583,256	7,982,445	8,711,066
Federal Sources	567,908	532,515	644,481	512,633	578,317	1,997,128	699,141	945,250	595,554	649,354
Total Revenues	7,097,597	7,324,734	7,776,113	8,194,200	9,131,488	10,385,961	10,826,791	9,752,134	9,850,478	10,680,822
Expenditures										
Instruction								497,594		
Regular Instruction	2,290,397	2,409,505	2,396,456	2,541,764	2,985,335	3,662,220	3,336,418	3,367,316	3,150,130	3,188,568
Special Education Instruction	546,043	510,808	509,161	505,488	595,850	223,476	410,858		494,964	506,453
Other Special Instruction	149,095	184,276	199,106	178,439	145,321	168,504	77,134	159,433	166,931	195,664
Other instruction	35,178	27,493	59,910	62,815	73,479	65,794	72,567	70,424	85,260	84,956
Support Services										
Tuition	374,352	478,546	368,500	418,562	518,224	408,837	481,638	383,558	524,146	551,519
Student and Instruction Related Services	820,674	660,652	706,855	703,879	780,552	1,110,300	794,864	889,763	871,912	933,660
General Administrative Services	239,602	143,950	258,508	270,388	375,465	311,001	324,894	276,763	280,209	314,833
School Administrative Services	258,438	275,895	183,777	138,393	165,090	175,506	156,602	210,345	208,571	193,112
Central Services & Info. Technology			180,695	181,134	198,516	232,437	164,482	207,822	204,782	230,556
Plant Operations and Maintenance	449,997	438,393	558,004	692,253	652,581	632,481	580,466	553,394	581,351	532,119
Security										17,647
Pupil Transportation	512,410	486,408	479,171	488,626	531,587	513,955	508,839	526,476	554,280	524,881
Business and Other Support Services	146,060	185,910								
Unallocated Employee Benefits	1,310,573	1,580,782	1,761,528	1,681,033	1,388,521	1,559,164	1,607,161	1,839,633	2,092,265	2,070,638
Capital Outlay	3,100	2,583,958	443,373	50,755	17,715	1,525,858	3,395,820	120,916	675,631	886,713
Debt Service:										
Principal		90,000	165,000	190,000	200,000	164,785	285,000	295,000	305,000	320,000
Interest and Other Charges	218,587	187,360	184,210	178,435	171,785	205,000	224,980	219,917	209,661	199,042
Total Expenditures	7,354,506	10,243,936	8,454,254	8,281,964	8,800,021	10,959,318	12,421,723	9,120,760	10,405,093	10,750,361
Excess (Deficiency) of Revenues Over (Under) Expenditures	(256,909)	(2,919,202)	(678,141)	(87,764)	331,467	(573,357)	(1,594,932)	631,374	(554,615)	(69,539)
Other Financing Sources (Uses)										
Proceeds from NJSDA									175,856	
Transfer to Charter School									(19,540)	(35,706)
Transfers (Net)	96,197							(3,921)	(21,568)	
Total Other Financing Sources (Uses)	96,197							(3,921)	134,748	(35,706)
Net Change in Fund Balances	\$ (160,712)	\$ (2,919,202)	\$ (678,141)	\$ (87,764)	\$ 331,467	\$ (573,357)	\$ (1,594,932)	\$ 627,453	\$ (419,867)	\$ (105,245)
Debt Service as a Percentage of Noncapital Expenditures	3.0%	2.7%	4.1%	4.4%	4.2%	3.4%	4.1%	5.6%	4.9%	4.8%

Source: CAFR Schedule B-2

EXHIBIT J-5

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Sale of Ramah Road School</u>	<u>Rent</u>	<u>Prior Year Refunds</u>	<u>Prior Year P.O. Adjustment</u>	<u>Atlantic Electric Energy Rebate</u>	<u>Misc.</u>	<u>Total</u>
2014	\$ 5,756	\$	\$	\$ 600	\$ 38,705	\$	\$ 22,960	\$ 7,515	\$ 75,536
2013	10,982				2,159	3,933	21,058	1,178	39,310
2012	931							10,034	10,965
2011					18,793		23,300	4,806	46,899
2010	380	2,184						29,503	32,067
2009	1,507	19,177	428,162	14,314		17,058		3,467	483,685
2008	32,457	2,632				(18,777)			16,312
2007	49,948	13,147						1,422	64,517
2006	26,864	20,640			1,125	1,454	100,000	454	150,537
2005	28,211	16,677						666	45,554

Source: District Records

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	a Public Utilities	Net Valuation Taxable	Total Direct School Rate ^b	Estimated Actual County Equalized Value
2014	\$ 19,175,800	\$ 241,140,500	\$ 13,644,400	\$ 2,863,100	\$ 2,689,700	\$ 1,630,200	\$ 344,200	\$ 281,487,900	\$ 734,782	\$ 282,222,682	\$ 0.875	\$ 308,715,419
2013	19,555,400	251,576,200	14,020,900	2,774,300	26,080,900	1,630,200	344,200	315,982,100	1,057,941	317,040,041	0.843	321,672,120
2012	19,497,200	253,567,700	13,290,100	2,819,800	27,921,353		344,200	317,440,353	1,127,247	318,567,600	0.854	323,221,997
2011	19,696,000	254,791,200	14,442,700	2,907,600	27,664,600		344,200	319,846,300	1,195,161	321,041,461	0.812	303,667,283 ^c
2010	9,280,500	137,378,900	7,210,200	2,788,300	13,993,700		219,400	170,871,000	810,417	171,681,417	1.615	325,356,981
2009	9,497,200	137,444,200	7,060,300	2,791,300	13,507,400		219,400	170,519,800	806,828	171,326,628	1.489	325,356,981
2008	9,240,700	135,374,500	7,071,000	2,827,400	13,469,800		219,400	168,202,800	827,880	169,030,680	1.447	290,722,820
2007	9,386,100	130,982,500	7,908,700	3,084,300	13,554,300			164,915,900	905,270	165,821,170	1.556	284,265,923
2006	9,518,600	127,002,600	8,014,300	3,071,500	13,412,200			161,019,200	983,653	162,002,853	1.475	207,971,432
2005	9,493,000	124,562,600	7,934,600	2,982,500	12,893,200			157,865,900	1,243,661	159,109,561	1.311	202,107,157

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b) Tax rates are per \$100

c) First year of revaluation

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)

Year Ended June 30,	Fairfield Township Board of Education			Overlapping Rates			
	a Basic Rate	b General Obligation		Cumberland Regional			Total
		Debt Service	Total Direct	High School	Fairfield Township	Cumberland County	
2014	\$ 0.227	\$ 0.163	\$ 0.390	\$ 0.485	\$ 0.383	\$ 1.017	\$ 2.275
2013	0.222	0.161	0.383	0.460	0.393	0.976	2.212
2012	0.221	0.163	0.384	0.470	0.384	0.965	2.203
2011	0.218	0.160	0.378	0.434	0.375	0.896	2.083 *
2010	0.459	0.244	0.703	0.912	0.673	1.69	3.978
2009	0.403	0.220	0.623	0.866	0.545	1.707	3.741
2008	0.395	0.228	0.623	0.824	0.521	1.64	3.608
2007	0.380	0.227	0.607	0.949	0.413	1.452	3.421
2006	0.367	0.210	0.577	0.898	0.199	1.333	3.007
2005	0.327	0.152	0.479	0.833	0.221	1.143	2.676

* First year of revaluation

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

- a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
- b) Rates for debt service are based on each year's requirements.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2014		2005	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
South State, Inc.	\$ 4,926,900	1.75%	\$ 2,360,400	1.49%
Tips Trailer Park, Inc.	3,935,600	1.39%		
Arthur Boss, MK Boss & MB McDowell	2,620,000	0.93%		
Laning Bros Farms, Inc.	2,540,400	0.90%	887,300	0.56%
Cumberland Self Storage, LLC	1,971,700	0.70%	838,400	0.53%
NJ Oak Solar LLC	1,630,200	0.58%		
T Zander & Sons, Inc Profit Sharing	1,525,300	0.54%		
Taxpayer #1	1,231,000	0.44%	848,200	0.54%
Halka Nurseries, Inc.	1,173,900	0.42%		
Taxpayer #2	1,122,200	0.40%	761,600	0.48%
Milner Corp.			2,303,500	1.46%
Miza Pharmaceuticals USA			987,700	0.63%
Eagles Manor			895,400	0.57%
CPM Developers				
SAC Realty, LLC			658,700	0.42%
Exelon (PSEG)			697,600	0.44%
Total	\$ 22,677,200	8.04%	\$ 11,238,800	7.12%

Source: District CAFR & Municipal Tax Assessor

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
			Amount	% of Levy	
2014	\$	1,244,058	\$ 1,123,222	90.29%	\$ 120,836
2013		1,225,461	1,225,461	100.00%	
2012		1,211,780	1,211,780	100.00%	-
2011		1,206,843	1,206,843	100.00%	-
2010		1,066,648	1,066,648	100.00%	-
2009		1,051,515	1,051,515	100.00%	-
2008		1,005,185	1,005,185	100.00%	-
2007		933,996	933,996	100.00%	-
2006		762,116	762,116	100.00%	-
2005		686,947	686,947	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			Per Capita ^a	
2014	\$ 4,926,000	\$	\$	\$	\$	4,926,000	2.0%	\$ 758
2013	5,246,000					5,246,000	2.2%	799
2012	5,551,000					5,551,000	2.3%	837
2011	5,846,000					5,846,000	2.6%	935
2010	6,131,000					6,131,000	2.9%	989
2009	4,336,000					4,336,000	2.1%	705
2008	4,536,000					4,536,000	2.3%	748
2007	4,726,000					4,726,000	2.5%	784
2006	4,891,000					4,891,000	2.7%	1,079
2005	4,981,000					4,981,000	2.6%	738

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- a) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b) Includes Early Retirement Incentive Plan (ERIP) refunding

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 4,926,000	\$	\$ 4,926,000	1.60%	\$ 753
2013	5,246,000		5,246,000	1.63%	799
2012	5,551,000		5,551,000	1.72%	837
2011	5,846,000		5,846,000	1.80%	911
2010	6,131,000		6,131,000	1.88%	966
2009	4,336,000		4,536,000	1.56%	667
2008	4,536,000		4,726,000	1.66%	699
2007	4,726,000		4,891,000	2.35%	723
2006	4,891,000		4,981,000	2.46%	736
2005	4,981,000				

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a) See Exhibit NJ J-6 for property tax data.

b) Population data can be found in Exhibit NJ J-14.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Fairfield Township	\$ 4,111,498	100.00%	\$ 3,632,894
Other Debt			
Regional School District	9,967,000	18.41%	1,834,607
County of Cumberland - Township Share	65,661,474	3.478%	2,283,383
Subtotal, Overlapping Debt			7,750,884
Fairfield Township School District Direct Debt			4,926,000
Total Direct and Overlapping Debt			\$ 12,676,884

Sources: Fairfield Township Finance Officer and Cumberland County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Fairfield. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

- a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2013										
Equalized Valuation Basis										
2013 \$ 308,124,915										
2012 314,945,724										
2011 324,519,379										
[A] \$ 947,590,018										
Average Equalized Valuation of Taxable Property [A/3] \$ 315,863,339										
Debt Limit (3% of Average Equalization Value) [B] 9,475,900										
Net Bonded School Debt 4,926,000										
Legal Debt Margin [B-C] \$ 4,549,900										
Fiscal Year										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 4,974,377	\$ 5,399,210	\$ 6,099,398	\$ 7,220,520	\$ 8,391,152	\$ 9,172,594	\$ 9,347,809	\$ 9,401,299	\$ 9,401,299	\$ 9,475,900
Total Net Debt Applicable to Limit	4,981,000	4,981,000	4,726,000	4,536,000	4,336,000	6,131,000	5,846,000	5,551,000	5,551,000	4,926,000
Legal Debt Margin	\$ (6,623)	\$ 418,210	\$ 1,373,398	\$ 2,684,520	\$ 4,055,152	\$ 3,041,594	\$ 3,501,809	\$ 3,850,299	\$ 3,850,299	\$ 4,549,900
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	100%	92%	77%	63%	52%	67%	63%	59%	59%	52%

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population ^a	Personal Income (Thousands of Dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2014 *	6,543	\$ 243,960,172	\$ 37,286	14.30%
2013	6,566	242,393,805	36,917	14.80%
2012	6,633	242,442,783	36,551	22.60%
2011	6,418	228,224,080	35,560	20.30%
2010	6,346	219,501,794	34,589	17.80%
2009	6,804	227,450,916	33,429	16.8%
2008	6,762	221,354,070	32,735	10.0%
2007	6,761	210,665,999	31,159	8.2%
2006	6,764	270,384,136	39,974	9.1%
2005	6,746	193,495,518	28,683	7.9%

* Estimate

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction										
Regular	40.0	37.7	41.0	39.0	58.0	59.0	49.0	51.0	51.0	51.0
Special Education	15.0	13.3	11.0	11.0	12.0	12.0	15.0	18.0	21.0	18.0
Other Special Education	4	2.9	2.0	2.0	2.0	2.0	2.0			
Vocational										
Other Instruction	4	8.6	3.0	4	1	1	1			
Support Services:										
Tuition										
Student & Instruction Related Services	8.0	8.9	8.9	5.0	6.3	7.3	8.2	8.0	5.0	4.7
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.2	2.0	2.0
School Administrative Services	6.0	4.1	4.1	5.0	2.1	2.1	2.8	5.0	5.0	5.0
Business Administrative Services	3.0	2.0	2.0	0.5	2.5	2.5	2.2		1.8	2.5
Plant Operations and Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Security										1.3
Pupil Transportation	0.6	1.0	1.0	0.5	0.5	0.5	0.2	0.2	0.2	0.2
Food Service										
Total	<u>84</u>	<u>81.5</u>	<u>76.0</u>	<u>70.0</u>	<u>87.4</u>	<u>89.4</u>	<u>83.4</u>	<u>85.4</u>	<u>87.0</u>	<u>85.6</u>

Source: District Personnel Records

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						K-8	Middle School				
2014	620	\$ 9,344,606	\$ 15,072	-1.54%	57	10.9:1		613.0	586.5	2.52%	95.68%
2013	602	9,214,801	15,307	10.59%	60	10.1:1		598.0	571.7	-0.03%	95.62%
2012	613	8,484,927	13,842	0.12%	60	10.2:1		598.1	576.1	-3.20%	96.32%
2011	616	8,515,923	13,825	-10.77%	61	10.1:1		617.9	590.1	4.34%	95.50%
2010	585	9,063,675	15,493	14.58%	87	6.7 : 1		592.2	557.6	-5.36%	94.16%
2009	622	8,410,521	13,522	1.92%	73	8.57:1		625.7	591.4	3.27%	94.52%
2008	607	8,052,774	13,267	2.16%	50	12.1 : 1		605.9	576.1	4.21%	95.09%
2007	590	7,661,671	12,986	-5.37%	57	10.4 : 1		581.4	559.1	9.55%	96.16%
2006	538	7,382,618	13,722	-2.46%	52	9.8 : 1	11 : 1	530.7	510.3	1.45%	96.16%
2005	507	7,132,819	14,069	6.41%	60	9.9 : 1	7.8 : 1	523.1	503.8	-4.26%	96.31%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- * Schools combined beginning with the 2006/2007 School Year

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>District Building</u>										
<u>Elementary</u>										
Fairfield Primary School (1956)										
Square Feet	21,711	21,711	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (Students)	307	307	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	263	274	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Middle School</u>										
Fairfield Middle School (1976)										
Square Feet	31,004	31,004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (Students)	246	246	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	244	264	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Fairfield Township School</u>										
Square Feet			75,590	100,594	100,594	100,594	100,594	100,594	100,594	100,594
Capacity (Students)			566	607	622	622	622	622	622	622
Enrollment			546	607	622	585	616	613	602	620

Number of Schools at June 30, 2014

 Elementary = 0

 Middle School = 0

 Combined = 1

* The Fairfield Primary and Middle Schools were combined into one new building beginning in the 2006/2007 School Year

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

School Facilities	Gross Square Footage	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fairfield Twp. Primary School		\$	\$	\$	\$	\$	\$	\$	\$	\$ 28,309	\$ 12,974
Fairfield Twp. Middle School										10,227	1,924
Fairfield Township School	* 100,594	47,257	58,279	44,555	47,657	42,188	38,287	52,966	31,156		
Total School Facilities		47,257	58,279	44,555	47,657	42,188	38,287	52,966	31,156	38,536	14,898
Other Facilities											
Grand Total		\$ 47,257	\$ 58,279	\$ 44,555	\$ 47,657	\$ 42,188	\$ 38,287	\$ 52,966	\$ 31,156	\$ 38,536	\$ 14,898

* The Fairfield Primary and Middle Schools were combined into one new building beginning in the 2006/2007 School Year

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2014
UNAUDITED

The Board of Education of the Township of Fairfield is a member of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSDJIF).

The GCSSDJIF is a Joint Insurance Fund as defined under the Provisions of NJSA 18A:18B 1-10. The Fund was formed by its member districts on July 1, 1998 to provide a long-term alternative to the conventional insurance market as a means of stabilizing the otherwise cyclical nature of insurance expenditures. It achieves this goal by pooling together member district resources, deciding on what insurance coverage/s it will offer and/or purchase and at what retention, and by hiring professionals to run the Fund.

The Fund's underwriting includes workers' compensation, property, general liability, automobile liability, crime, educator's legal liability, boiler and machinery, and pollution legal liability insurances.

The coverage provided to members of the GCSSDJIF for the period of July 1, 2013 to June 30, 2014 are as follows:

2013-2014

I. Property, Inland Marine and Automobile Physical Damages

A. Limit of Liability:	\$150,000,000 Per Occurrence
1. GCSSDJIF Self Insured Retention	250,000 Per Occurrence
2. Member District Deductible	500 Per Occurrence
3. Perils Included	"All Risk"
B. Property Valuation	
1. Buildings and Contents	Replacement Cost
2. Contractors Equipment	Actual Cash Value
3. Automobiles	Replacement Cost

II. Boiler and Machinery

A. Limit of Liability	125,000,000
1. GCSSDJIF Self Insured Retention	None
2. Member District Deductible	1,000

III. Crime

A. Limits of Liability	500,000
1. GCSSDJIF Self Insured Retention	250,000
2. Member District Deductible	500

IV. General and Automobile Liability

A. Limit of Liability:	15,000,000
1. GCSSDJIF Self Insured Retention (SIR)	250,000
2. Member District Deductible	None

V. Workers' Compensation

A. Limits of Liability:	Statutory
1. GCSSDJIF Self Insured Retention	250,000
2. Member District Deductible	None

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2014
UNAUDITED

VI. Educator's Legal Liability	
A. Limits of Liability:	15,000,000
1. GCSSDJIF Self Insured Retention	100,000
2. Member District Deductible	None
VII. Pollution Legal Liability	
A. Limits of Liability:	3,000,000
1. GCSSDJIF Self Insured Retention	None
2. Member District Deductible	25,000
VII. Cyber Liability	
A. Limits of Liability:	1,000,000
1. GCSSDJIF Self Insured Retention	None
2. Member District Deductible	25,000

Excess and Reinsurance Carriers Involved

Property and Crime

SPELLJIF, Selective Ins. Co. of America
Axis Surplus Insurance Company
Westchester Surplus Lines Ins. Co.
Alterra Excess & Surplus Ins. Co.
Ironshore Specialty Ins. Co.
Steadfast Inc. Co.
RSUI Indemnity Company
Liberty Surplus Insurance Corp.
James River Insurance Co.
Maiden Specialty Insurance Co.
Arch Specialty Insurance Co.

General Liability and Automobile Liability

Worker's Compensation

Educator's Legal Liability

SPELLJIF, Selective Ins. Co. of America
SPELLJIF, Selective Ins. Co. of America
SPELLJIF, Selective Ins. Co. of America

Group Purchase of Primary Insurance Coverage Carrier Array

Boiler and Machinery

Pollution Legal Liability

Cyber Liability

Travelers Insurance Company
AIG/Commerce and Industry Insurance, Co.
Lloyd's of London

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

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October 23, 2014

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Fairfield Township School District
County of Cumberland, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Fairfield Township School District, in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2014, which collectively comprise the Board of Education of the Fairfield Township School District's basic financial statements and have issued our report thereon dated October 23, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Board of Education of the Fairfield Township School District, in the County of Cumberland, State of New Jersey, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Fairfield Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fairfield Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fairfield Township Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as described above. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. We did however, identify three immaterial instances of deficiencies in internal control over financial reporting described in the *Independent Auditor's Management report on Administrative Findings – Financial, Compliance and Performance* labeled Finding 2014-1, 2014-2, and 2014-3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fairfield Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in the accompanying schedule of findings and questioned cost.

Purpose of this Report

This report is intended solely for the information and use of the audit committee, management, the Fairfield Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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October 23, 2014

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF AWARDS REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Fairfield Township School District
County of Cumberland, New Jersey

Report on Compliance for Each Major Program

We have audited the Board of Education of the Fairfield Township School District, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Fairfield Township School District's major federal and state programs for the fiscal year ended June 30, 2014. The Fairfield Township Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the Fairfield Township Board of Education's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Fairfield Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Fairfield Township Board of Education's compliance with those requirements.

Opinion on Each Major Program

In our opinion, the Fairfield Township School District's Board of Education, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Fairfield Township School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Fairfield Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Fairfield Township School District's Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Fairfield Township School District's Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Fairfield Township School District's Board of Education's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the audit committee, management, the Fairfield Township Board of Education, the New Jersey State Department of Education, other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Grant or State Project Number	Program or Award Amount	Grant Period From/To	June 30, 2013			Cash Received	Budgetary Expenditures	Adjustment	June 30, 2014		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor
U S Department of Education General Fund:													
U.S. Department of Agriculture Passed through State Department of Education													
Food Distribution Program	10.565	N/A	\$ 22,408	7/1/13-6/30/14				\$ 22,408	\$ (21,499)			\$ 909	
Food Distribution Program	10.565	N/A	16,719	7/1/12-6/30/13		\$ 968			(968)				
Fruits and Vegetables Grant	10.582	N/A	22,832	7/1/12-6/30/13	\$ (2,181)			2,181					
National School Lunch Program	10.555	N/A	236,987	7/1/13-6/30/14				188,615	(236,987)		\$ (48,372)		
National School Lunch Program	10.555	N/A	218,100	7/1/12-6/30/13	(16,318)			16,318					
National School Snack Program	10.555	N/A	1,749	7/1/13-6/30/14				1,733	(1,749)		(16)		
School Breakfast Program	10.553	N/A	134,392	7/1/13-6/30/14				107,248	(134,392)		(27,144)		
School Breakfast Program	10.553	N/A	106,713	7/1/12-6/30/13	(7,817)			7,817					
Total U.S. Department of Agriculture					(26,316)	968		346,320	(395,595)		(75,532)	909	
U.S. Department of Education Passed Through State Dept. of Education: Special Education Fund:													
Title I	84.010	NCLB-146013	380,890	9/1/12-8/31/13	(246,513)			334,177	(87,664)				
Title I	84.010	NCLB-146014	354,766	7/1/13-6/30/14				179,380	(316,454)		(137,074)		
Title II - A	84.367A	NCLB-146013	69,081	9/1/12-8/31/13	(55,702)			55,702					
Title II - A	84.367A	NCLB-146014	61,826	7/1/13-6/30/14				37,192	(57,544)		(20,352)		
I.D.E.A. Part B Basic	84.027	IDEA146013	186,971	9/1/12-8/31/13	(94,898)			94,898					
I.D.E.A. Part B Basic	84.027	IDEA146014	176,614	7/1/13-6/30/14				115,164	(176,614)		(61,450)		
I.D.E.A. Pre School	84.173	IDEA146014	5,176	7/1/13-6/30/14				5,176	(5,176)				
I.D.E.A. Pre School	84.173	IDEA146013	5,495	9/1/12-8/31/13	(5,495)			5,495					
Race to the Top	84.413A	RTTT146013	26,385	9/1/11-11/30/15	(20,018)			25,920	(5,902)				
Indian Education	84.060	N/A	16,665	9/1/12-8/31/13	(12,506)						(12,506)		
Indian Education	84.060	N/A	16,803	9/1/11-8/31/12	(12,815)			12,089		\$ 726			
Indian Education	84.060	N/A	21,219	9/1/10-8/31/11	(8,959)					8,959			
Indian Education	84.060	N/A	21,219	7/1/10-6/30/11		\$ 6,597				(6,597)			
Indian Education	84.060	N/A	16,346	7/1/07-6/30/08		2,735				(2,735)			
Indian Education	84.060	N/A	16,063	7/1/04-6/30/05		230				(230)			
Total U.S. Department of Education					(456,906)		9,562	865,193	(649,354)	123	(231,382)		
Total Federal Financial Awards					\$ (483,222)	\$ 968	\$ 9,562	\$ 1,211,513	\$ (1,044,949)	\$ 123	\$ (306,914)	\$ 909	

See Accompanying Notes to Schedules of Financial Assistance

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period From/To	Balance at June 30, 2013			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balances	Balance at June 30, 2014			Memo	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue/	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Dept. of Education:															
General Fund:															
Equalization Aid	14-495-034-5120-078	\$ 5,088,222	7/1/13-6/30/14					\$ 4,644,139	\$ (5,088,222)		\$ (444,083)			* \$ (444,083)	\$ 5,088,222
Equalization Aid	13-495-034-5120-078	5,008,576	7/1/12-6/30/13	\$ (463,317)				463,317							
Transportation Aid	14-495-034-5120-014	157,300	7/1/13-6/30/14					143,571	(157,300)		(13,729)			*	157,300
Transportation Aid	13-495-034-5120-014	158,865	7/1/12-6/30/13	(14,696)				14,696							
Special Education Aid	14-495-034-5120-089	286,612	7/1/13-6/30/14					261,597	(286,612)		(25,015)			*	286,612
Special Education Aid	13-495-034-5120-089	281,205	7/1/12-6/30/13	(26,013)				26,013							
Security Aid	14-495-034-5120-084	166,335	7/1/13-6/30/14					151,818	(166,335)		(14,517)			*	166,335
Security Aid	13-495-034-5120-084	163,291	7/1/12-6/30/13	(15,105)				15,105							
Adjustment Aid	14-495-034-5120-085	253,131	7/1/13-6/30/14					231,039	(253,131)		(22,092)			*	253,131
Adjustment Aid	13-495-034-5120-085	339,662	7/1/12-6/30/13	(31,420)				31,420							
Under Adequacy Aid	14-100-034-5120-096	41,872	7/1/13-6/30/14					38,218	(41,872)		(3,654)			*	41,872
Anti-bullying Aid	N/A	281	7/1/13-6/30/14					281	(281)						
Extraordinary Aid	14-100-034-5120-473	20,392	7/1/13-6/30/14						(20,392)		(20,392)			*	20,392
Extraordinary Aid	13-100-034-5120-473	20,496	7/1/12-6/30/13	(20,496)				20,496							
Additional Non-Public Transp. Aid	14-495-034-5120-014	2,997	7/1/13-6/30/14						(2,997)		(2,997)			*	2,997
Additional Non-Public Transp. Aid	13-495-034-5120-014	2,784	7/1/12-6/30/13	(2,784)				2,784							
On behalf TPAF Pension Contribution	13-495-034-5095-007	153,820	7/1/13-6/30/14					153,820	(153,820)					*	153,820
On behalf TPAF Post. Med'l Contrib	13-495-034-5095-001	252,206	7/1/13-6/30/14					252,206	(252,206)					*	252,206
Reimb TPAF Soc Sec Contrib	14-495-034-5095-002	273,501	7/1/13-6/30/14					261,600	(273,501)		(11,901)			*	273,501
Reimb TPAF Soc Sec Contrib	13-495-034-5095-002	270,699	7/1/12-6/30/13	(25,059)				25,059							
Total General Fund				(598,890)				6,737,179	(6,696,669)		(558,380)			(523,090)	6,696,388
Special Revenue Fund:															
Preschool Education Aid	14-495-034-5120-086	1,462,440	7/1/13-6/30/14				\$ 233,080	1,316,196	(1,392,213)		(146,244)	\$ 303,307		*	1,392,213
Preschool Education Aid	13-495-034-5120-086	1,131,661	7/1/12-6/30/13	(113,166)	\$ 233,080		(233,080)	113,166							
NJ Nonpublic Aid:															
Chap. 192:															
Transportation	14-100-034-5120-066	167	7/1/13-6/30/14					167						167	
Chap. 193:															
Exam. And Classification	14-100-034-5120-066	319	7/1/13-6/30/14					319						319	
Corrective Speech	13-100-034-5120-066	2,344	7/1/12-6/30/13			\$ 1,606				\$(1,606)					
Corrective Speech	14-100-034-5120-066	1,562	7/1/13-6/30/14					1,562						1,562	
Total Special Revenue Fund				(113,166)	233,080	1,606		1,431,410	(1,392,213)	(1,606)	(146,244)	303,307	2,048	(146,244)	1,392,213
Capital Project Fund:															
NJSDA Grant	1460-01-00-0366-01	803,208	2/28/13-Closing	(102,027)				613,215	(627,801)		(116,613)			*	729,828
Total Capital Project Fund				(102,027)				613,215	(627,801)		(116,613)				729,828
State Dept. of Agriculture:															
Enterprise Fund:															
State School Lunch Pgm.	14-100-010-3350-023	5,263	7/1/13-6/30/14					3,971	(5,263)		(1,292)			*	5,263
State School Lunch Pgm.	13-100-010-3350-023	5,155	7/1/12-6/30/13	(660)				660							
Total Enterprise Fund				(660)				4,631	(5,263)		(1,292)				5,263
Total State Financial Assistance				\$ (814,743)	\$ 233,080	\$ 1,606	\$ -	\$ 8,786,435	\$ (8,721,946)	\$(1,606)	\$ (822,529)	\$ 303,307	\$ 2,048	\$ (669,334)	\$ 8,823,692

See Accompanying Notes to the Schedules of Financial Assistance

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2014

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Fairfield School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$27,461 for the general fund and (\$33,078) for the special revenue fund. See Note 2 (The Notes to Required Supplementary Information) for reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statement on a GAAP basis as presented on the following page:

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE

JUNE 30, 2014

(Continued)

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

	Federal	State	Total
General Fund	\$	\$ 6,724,130	\$ 6,724,130
Special Revenue Fund	649,354	1,359,135	2,008,489
Capital Project Fund		627,801	627,801
Food Service Fund	395,595	5,263	400,858
Total Awards and Financial Assistance	\$ 1,044,949	\$ 8,716,329	\$ 9,761,278

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Fairfield Township School District had no SDA Loan balance at June 30, 2014 and the New Jersey SDA is no longer holding cash for the project, as they transferred the balance to the District during the year under audit.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution respectively. The amount reported as TPAF Pension Contributions, if any, represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: ADJUSTMENTS

There were no material adjustments included in Schedule A or Schedule B.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

Noncompliance material to basic
financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

Type of auditor's report issued on compliance for
major programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with section .510(a) of
Circular A-133? _____ yes X no

CFDA Number(s)
84.010

Name of Federal Program or Cluster
Title - I

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes _____ no

GMIS Number(s)	Name of State Program
14-495-034-5120-078	Equalization Aid
14-495-034-5120-089	Special Education Categorical Aid
14-495-034-5120-084	Security Aid
14-495-034-5120-085	Adjustment Aid

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

Section II - Financial Statement Findings

Finding: NONE

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

FEDERAL AWARDS

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

STATE FINANCIAL ASSISTANCE

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a) (b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR - YEAR FINDINGS

There are no prior year findings.